REF #	SOURCE	QUESTION / COMMENT	RESPONSE
1	NPOC	**Application Process accounts** remain separate and transparent; for longer term funds, they should be invested in trust accounts with interest accruing for subsidizing to the more worthy of the developmental and global gTLD Applicants.	The new gTLD funds are and will remain separate and transparent. Longer term funds will be invested as per the defined investment policy, which primary focus is to mitigate risk, and secondary focus to generate returns. Income generated by investment of the funds will be added to the available new gTLD funds.
2	NPOC	**New gTLD Applicant Support Program** is essential to educate the global community and engage the international community. So is the Support Application Review Panel (SARP). Budget support should favor Applicants from ~~developed~~ **developing** economies and/or disadvantaged communities.	After clarification of wording with Alain, ICANN agrees that this money should be spent on educating and supporting applicants from developing and disadvantaged economies.
3	NPOC	On the inclusion of the **World Bank on the GAC**: it should come with a grant contribution from the International Development Association (IDA) to increase participation of worthy Constituency members from developing economies who cannot afford the costs associated with participation... Civil society, not-for-profit and NGOs should be targeted as recipients of this IDA funding, as this sector is the less represented in ICANN (as opposed to governments and private sector). The management of these grants should be done and/or facilitated by ICANN Constituencies closest to and more knowledgeable civil society actors.*	Noted.
4	NPOC	On **Policy Development Support**, I recommend that the Policy Group at ICANN design and manage an initiative to start breaking up the "silos" and increase communications/understanding between Stakeholders Groups and between Constituencies, through multi-stakeholder partnerships (MSPs)	The ICANN Staff continues to explore ways to increase communications between various community groups through both bilateral and multi-lateral gatherings. The ICANN Newsletter, the monthly Policy Update, and the regular Policy Webinars before ICANN meetings are examples of ways to provide information to various ICANN groups. Most typically, at community request the Policy Staff acts as a resource to enable communications between communities and community leaders rather than the staff unilaterally initiating or orchestrating these connections. The new GNSO Working Group Model of policy development is a tool already being used to bring members of various communities together to discuss specific policy issues and, of course, the ICANN Public Comment Forums provide an arena for open and transparent exchange of views between communities. Staff is open to exploring specific suggestions for improving cross community communications. Fortunately, staff believes that improvements can be realized in this area without substantial commitment of additional resources.
5	NPOC	On **travel allocation for GAC members**, I find it highly desirable that governments fund their own civil servants' travel allocations, as public budgets are the way for governments to reflect their national priorities. If travel allocations for governments are unavoidable for political mitigation and MS consensus building, they should be reserved for developing economies, for reasons of eradicating the digital divide between the IT haves and havenots.*	Where travel funding is provided from the GAC, it is provided only to those who he developing economies. Please refer to the GAC Travel Guidelines https://gacweb.icann.org/download/attachments/1540126/GAC+Travel+support+program_20111022_FINAL.pdf?version=1&modificationDate=1323991317000
6	NPOC	Should include **stipends for volunteers**. In the long term, this would be fairer, increase true and unconflicted participation and show some recognition by ICANN to volunteers.	Please refer to ICANN community support guidelines.
7	NPOC	ICANN should allow **sponsors** to designate a small part of their funding to benefit Constituencies of their choices. This would be a marginal loss of revenues to ICANN but a great contributor to strengthening the MSP process in general and the capacity of Constituencies.	Noted.
8	NPOC	**Law Enforcement Engagement:** With the community, whatever forms this takes (I could not find a description of the program but may have missed it), it should include Human Rights training for all	Noted.
9	ICA	*ICA does not oppose funding for final implementation of the **Trademark Clearinghouse** but questions whether $438,000 is actually needed for this task, and therefore requests a more detailed explanation of how that figure was arrived at and what expenditures are contemplated. *Given that ICANN will realize a net gain in assets of at least $31 million from the first round of the new gTLD program - and that the actual amount could be double or triple that conservative estimate - we believe that a **PDP regarding the allocation and use of these substantial excess funds should be initiated during FY13.**	**Trademark Clearinghouse:** The amounts proposed in the budget are derived from three main sources of activity: technical process development, business process development, and communications. Although the work is advanced in terms of technical and business process development, the short implementation timeframe means that complex problems must be solved in a short amount of time. Thus, professional services are accounted for if there is a need to obtain, for example: advice on trademark requirements, advice on dispute resolution or similar. Professional services are also estimated for technical processes, including, **for example, the development of EPP extensions for communications between registries and registrars in the Trademark Claims and Sunrise operations.** Finally, a third of this amount is to support education on the availability of the Clearinghouse and how to use its services, as well as publicizing the opening. **Surplus:** Evaluation fees were designed to ensure that adequate resources exist to cover the total cost to administer the new gTLD process. When the applications have been processed, there will be a careful assessment of whether the actual costs exceeded the estimates (shortfall) or whether the costs were less than estimated (surplus). If there is a surplus, the excess funds will not be used for ICANN's general operations, but rather will be handled in accordance with community consultations.
10	ICA	**URS**: ICA strenuously opposes the $175,000 allocated for URS "reconfiguration" as the contemplated process is vague and undefined, appears to represent the reopening of key URS policies through a non-standard mechanism rather than being mere technical implementation, will likely cause substantial delay in the opening of new gTLDs, and has been arrived at through closed staff consultation with a narrow group of trademark-related interests rather than open dialogue with a broad cross-section of community members interested in fair and effective implementation. This budget item should be struck in its entirety.	The budget item for the URS includes professional services to develop the model. Discussions about the targets and goals of the URS will occur regardless and are not a budget item.
11	NCSG	Raise concern over the $25 million budgeted for an **Independent Objector** to process objections to domain names. This amount seems enormously high and will need to be justified by looking for objections to file, where there might not otherwise be a legitimate reason to object. Setting too high of a budget will have the effect of chilling speech on the Internet and sets a poor example for a global governance institution. Even with including all the opportunities provided to GAC and ALAC to object to a domain name, providing $25 million to this effort encourages objections based on arbitrary and authoritarian interests. Frankly ICANN should not be in the business of suppressing unpopular ideas and this high budget will do just that.	The 25MM line item covers more than the Independent Objector (title has been changed accordingly in latest version of budget). The funds are for community-developed objection processes, including funding for objections by governments and ALAC.
12	NCSG	Enormous confusion about what community funding requests have been approved and what have not been approved. Example: **NCSG Executive Community for travel support** was "approved" in the budget, the details provided in the notes of the appendix only provides travel support to constituencies. This needs to clarified and corrected to include the NCSG - who made the request for SG business at the ICANN meetings.	We have worked with ICANN Constituency Travel to update the soon-to-be posted FY13 Travel Guidelines for Public Comment, which will specifically note each of the proposed GNSO Non-Contracted Parties travel slots, as well as the proposed NCSG Executive Travel. We did not change the existing travel support noted in FY12 to any community. The language in Note #4 has been drafted to include all the non commercial groups under GNSO. The leadership Travel Support item described in Note #4, covers the following requests: 009, 011, 012, 013, 016 and 026. But we have added the NCSG specifically to avoid any confusion.
13	NCSG	Also, **NCUC's request for support for its outreach and educational program** it is planning for Toronto says "approved" in the draft budget, but it is not clear if staff intends to support NCUC's event in Toronto in October or if staff is planning its own separate meeting. These unanswered questions make planning impossible. It would be helpful if staff would provide a detailed explanation of what it has in mind when it says it has approved funding outreach, materials, capacity building, etc. in the notes and how NCSG can guide staff's implementation of these provisions so they match something the community actually needs. The "details" provided in the notes of the appendix to the budget are sketchy, contradictory, do not match requests that say "approved", and increase the confusion and disappointment from community members. So it would be helpful if staff would provide some detailed written documentation that specifically responds to community requests, followed-up with a telephone call to answer any further questions (as I hoped the earlier community calls would provide these clarifications) on these community requests.	A wide variety of individual outreach concepts were requested by various ICANN SO's, AC's and individual constituencies. Resources were not available in the planned FY13 budget to grant all requests. As a result, the proposed FY13 budget plan anticipates resourcing a combination of individual events as well as single non-contract community event in early 2013. Regarding the NCUC Toronto meeting request, ICANN will be able to provide in-kind support for a community gathering for that constituency in conjunction with the Toronto meeting. ICANN expects to model that support along the lines of the support provided to the NCUC prior to the 2010 ICANN Silicon Valley Public Meeting in San Francisco. That support included meeting space, audio-visual support and remote participation facilities coordinated by the ICANN Meetings Team. With respect to the non-contract party community event in early 2013, upon approval of the budget, Staff will be directed to work with the CSG and NCSG to plan and coordinate implementation of a single community wide event at a hub city in January 2013. This "pilot" effort will be viewed as a test to determine if similar meetings can/should be held in future years. In FY13 this meeting will help to bridge the long time gap between the Toronto and Asia Pacific Meetings.
14	NCSG	Concerned about staff's plan to re-write the **URS** with the "summits" it has proposed in the budget. The URS was approved as a community consensus recommendation with all stakeholders having to give a little. Giving the intellectual property constituency yet another bite at the apple to re-write the rules as it would like as these URS summits appear to do upends the entire multi-stakeholder process and calls ICANN's legitimacy into question (at a time when it cannot afford further mis-steps). Those rules meet a tapestry of community consensus with carefully crafted negotiations among stakeholders that will tossed aside by a URS summit dominated by the trademark industry (as it most certainly will, since no one else will have funds to participate). Didn't ICANN learn anything from the disaster of the IRT experience? Let's not duplicate it with this URS summit maneuver. ICANN should look for dispute resolution providers who can do the job required - rather than change the job to meet the providers profit expectations.	Agreed - the URS was developed by the community, and if it is to be changed, this must also be with community input. Summits are a possible way to accomplish this, but discussions will occur in Prague on whether there is a need for refinements to meet the URS goals, and if so, what is the appropriate process to follow to develop these. check Kurt's gNSO council response

REF #	SOURCE	QUESTION / COMMENT	RESPONSE
15	BC	The level of detail in the **FY13 draft plan** is very similar to previous years. Most of the community have repeatedly **called for more detail** in the belief that if presents major challenges to the ability to provide comments, and believe that remains a major barrier to others trying to participate in the public comment process These calls have been acknowledged and then ignored. We request that this subject be specifically addressed by the Board Finance Committee taking into account the status of the Financial System Replacement (FSR) Implementation to decide what level of detail is desirable and communicate this to the community and the CFO for once and for all.	Community input will be gathered on the objectives to be achieved through community input on the budget so as to determine the adequate level of detail that to serve agreed-upon objectives.
16	BC	We miss the disappearance of the Community Feedback (FY12 Appendix A); We miss the disappearance of 5 year historical summary (FY12 Appendix B)	We will take into account this comment in building the FY14 budget table of contents.
17	BC	We do not miss the disappearance of the operating expense views as they were cosmetic (FY12 Appendix C); We note the dropping of Expense Area groups (included in the Budget Initial Consultation presentation in Dakar (slide 10) and (FY12 Appendix C Table C-3)	Noted.
18	BC	The **overall expense** is an increase on FY12 but it is noted that the FY12 forecast is 8m$ down on budget suggesting that a large number of planned initiatives have not taken place. We encourage the corporation to ring fence the new gTLD from influence on core and project as well as financially.	The FY12 operating expenses forecast is showing $8 million below the fiscal year budget. The major driver for that variance is the change in the timeline of the new gTLD program. Any change in the new gTLD program will influence the implementation of the operations readiness plan.
19	BC	**Core activity** in the framework was $63.1m (84% of budget) as there was no breakdown there was limited community feedback. Whether this was influential or not is an unknown in Draft Budget as there are no core activities itemized.	In the Framework, the "core vs. project" was provided for illustration purpose. In the draft budget, we have only retained our traditional presentation of the budget; "by Organizational Activities". But following the same principle used in the framework, we can easily segregate the "core activity" portion of the budget. FY13 operating budget is $74.424 mil, $8.586 mil in project and $0.536 mil for special requests. By subtraction the core activity budget is $65,302 mil.
20	BC	Two areas that do not have declared budget for the community to comment on are: **Fellowship Programme** - We can not identify from the website which Stakeholder groups the fellows are aligned to. Communications - How much of the Board Voted **gTLD communications plan** was spent in FY12. The second phase which was to be directed at users rather than applicants did not appear to happen. Is this carried over into FY13?	The fellows are aligned across multiple stakeholder groups. The main expense of the program is travel support and the support level is indicated in the same manner of the SO/AC support in the travel section.
21	BC	**Professional Services:** Cost in table 3-12 is a significant part of ICANN expenditure. The descriptive listing in the table needs to be linked back against a project, core activity or functional area for a more meaningful community comment. ICANN prides itself on transparency is very opaque on vendor contracts. Is there a central register of these? For example Media and Communication is predicted set to double in FY13. Which projects or functional area is this part of?	The FY13 Professional Services costs are 39% over the FY12 forecast. A three pages detailed analysis of these costs with a descriptive listing has been provided in the document. ICANN strives to track and report financial data in a transparent and meaningful fashion. The principles of reasonableness and efficiency prevail when linking a cost and the activity to which it is being charged to. The costs that can be directly attributed to a particular project are already indicated in this section of the document. For the Media and Communication item it is already indicated that the new gTLD program is main driver for the increase.
22	BC	**Functional Operations view:** Project Activity Item 1 Stakeholder project represents $5.259m Seven projects are listed without financial breakdown. Why are these separate from the 25 projects listed on page 53 which total 8.586m$? Five of the seven appear to be duplicates? Why are these projects not included in gTLD costs? How do these correlate?	The stakeholder Projects is the first time in the list of the 15 "Organizational Activities". This area covers a broad range of activities, providing oversight and coordination of policy development support, policy implementation, and relationships with contracted parties. the list of seven proven were given as an illustration of this category. The list of 25 projects on page 53 is the complete list of all the proposed projects for FY13. This new functional activity includes support for new gTLD and several key projects. The new gTLD program budget and costs are now reported separately. Only development/historical costs and application evaluation costs are included in the gTLD costs model.
23	BC	Why is the **project list different from those of the Framework** Plan? How do the two project lists map to each other? Where is the rationale that took us from framework plus community feedback to Draft Budget list? What has happened to the significant number of projects that have 'disappeared' from the Framework to Draft Budget list? **Which projects in the draft Budget are new and await this Budget approval to start**? Are any of these project relating to new gTLD ring fenced expenditure?	We are continuing to refine our Project Management Process going forward; currently ICANN Projects are divided into types for consistency thus some projects move into core work, some close out, others are continued into the next fiscal year or are deferred, and new ones can also be added.
24	BC	Staffing by Organizational Areas on page 40 is a helpful inclusion in the Budget as was Project work internal FTE on page 53. Do the **costs of the projects include for the staff FTE equivalent at cost?** Do the staff numbers include or exclude consultants whose cost is presumably also included professional services in table 3-12	The costs of the projects do not include the cost of staff FTE. The staff numbers usually exclude consultant costs.
25	BC	ICANN should have **clear project number, status** (i.e. proposed or underway or complete), **staff member responsible and description, goal and measurable targets, staff numbers occupied**. It must be declared as where it is nested under one or more (%) Organizational activity areas. References and links to information and background material on the ICANN website. We would appreciate **presentations dedicated to the projects at the ICANN meetings.**	Thank You for your comment; it sill be passed to the appropriate recipients. In FY12 ICANN assigned a project number and provides a status yearly denoting: new, deferred, continue, close or core with a a brief description of the objectives.
26	BC	**IANA and Tech Ops improvements**: As an urgent matter, we call on ICANN to fulfill the requirements in the NTIA RFP and ensure that ICANN continues to maintain responsibility for the IANA Functions Agreement. ICANN's role in maintaining the single authoritative root is reliant upon ICANN fulfilling the necessary requirements to continue to act as the IANA administrator.	Thank you for your support. The proposals to the RFP were due on May 31st.
27	BC	**Security Stability and Resiliency:** We support and note that SSR review team recommendations endorsed by the recent public comment should be reflected as priorities in the FY'13 [and FY '14 and beyond] budgets, as applicable. We find that on first review, there are financial implications to many of the recommendations.	The SSR WG recommendations were fully reflected in the FY13 budget.
28	BC	The project in the framework plan "**AOC Reviews**" appears to have disappeared in draft Budget. Is this now downgraded to a non project in the functional area of SSR and WHOIS RT, SSR RT, and the final RT on Consumer Choice/Confidence [yet to be developed] which all have implications for FY 13 and FY 14 budgets	Noted.
29	BC	**New Compliance System/CRM:** We support. Is this the project that the BC & IRPT-C has written letters about? We would appreciate a presentation about these projects in Prague.	Can you please clarify which letters you are referring to and to whom they were addressed to. By request from the gNSO, Compliance submitted a report on short, mid, and long term plans. The New Compliance System project referred to here is not ready for presentation in Prague, as we are in the process of conducting feasibility studies and analysis..
30	BC	**Document Management System (DMS):** Is this the one that the GNSO Improvement CCT team discussed? Is there any community involvement? Is there any documentation on the website?	Enterprise-wide roll-out of Document Management System is a project undertaken as part of ICANN's strategic focus on Core Operations including IANA. We have completed Phase 1 in FY12. Presently this is an internal project being rolled out in phases to enhance infrastructure, processes and systems for effectiveness and efficiency. Specific objectives include: • The streamlining and centralization of control and sharing of documents across the company. • Allowing ICANN to efficiently and effectively respond to document production requests in litigation or other dispute resolution processes involving ICANN, and reducing the related costs associated with ICANN's current processes. One large litigation discovery process can costs ICANN more than a $1Million. • Facilitating ICANN's corporate compliance efforts and related efforts to comply with laws and legal requirements through maintaining immediate and centralized access to corporate documents. • Facilitating ICANN's ability to efficiently and effectively respond to information requests from the Ombudsman in compliance with ICANN's Bylaws.
31	BC	**Root Zone Management (RZM):** We support the previous community request for explanation and will reserve our comments after consultation with senior technical experts within the CSG's member companies. We are not concerned about the amount of funding, until we take that consultation and determine if it is sufficient.	Noted.

REF #	SOURCE	QUESTION / COMMENT	RESPONSE
32	BC	**IDN Variant Management Projects:** We have many questions about this project and how it is supporting ICANN's mission. $1.5 M is a significant amount of funding for a project that has little detailed information available in the Budget. Was this reduced from $2.8 in the Framework documents?	This project was initiated by a Board resolution in 2010 and is important to the usability of several scripts in the DNS. The project plan has been published for comment and can be seen in more detail at http://www.icann.org/en/news/public-comment/idn-variant-tld-revised-program-plan-04may12-en.htm. The budget supports a set of parallel projects such as feasibility studies on certain types of variants and developing tools, processes, and protocols to support specific solutions, in cooperation with the appropriate experts. While the ICANN budget framework for next fiscal year envisions funding for all of these projects, ICANN will also seek partners in the community that may be willing to contribute resources toward completing the work.
33	BC	**FY13 Priorities:** We highlight this table that appeared in isolation in the FY13 Framework plan (page 6) reading that they were "gathered from the discussions and input from the 2012 – 2015 Strategic Plan; community [Dakar] and from the ICANN Operations Planning Sessions and includes the four "Strategic Pillars" of the Strategic Plan. We are not clear on how the community agreed on and supported the FY13 priorities. This **lack of debate and discussion on priorities does raise concerns**, and should be addressed going forward.	Thank you for your comment and it will be looked into further
34	BC	**Applicant Support:** This programme cost has dropped since framework form 40c in every $ to 16c. Is this project funded from the gTLD programme itself? Communication presentation on this subject in Prague did not clearly identify costs for this against cost for the overall communications budget.	There are changes each budget cycle from Framework to draft Plan depending on new information and more in depth understanding of the work and its costs. The Applicant Support budget does not come from the gTLD Programme.
35	BC	**2nd Round:** Two FTE staff member seems excessive for this project. Assuming the 2nd round will be cost neutral and have historic costs removed from general operating costs, Why include it here? If so better temp housed in first round costs?	This project requires a cross-functional team of: New gTLD Program Office, Policy, Stakeholder Relations, Legal, Project Mgmt, Exec team, supplemented by Professional Services. It is calculated at 1.85 FTE across all of these functions.
36	BC	Natural View is a high level summary and the budget can very soon (and in advance of Prague) be **updated for the 2000 application scenario rather than the 500 application**. Is this the reason for the "proposed final FY13 Operating plan and Budget" cited by the CFO on the letter of 24th May?	Yes.
37	BC	The annual budget cycle timetable is much improved in FY13 from FY12 except that the new system of Comment and Reply has reduced the comment period for this (the most important of all comments) down from 31 days to 24 days. We note that the **new comment system needs a review as it has become chaotic in its use.**	Thank You for your comment; it sill be passed to the appropriate recipients.
38	BC	The FY11 draft budget was approved by the Board at Brussels without any modification at all. The FY12 was approved subject to unspecified modifications at Singapore. The minor modifications were published with the budget on 9 August. This approach **does not give the community much confidence that the comments are seriously considered.**	The ICANN staff attempts to provide the required attention to all comments, as evidenced in this very document. The process of public comment, to your point, needs further enhancements to allow relevant comments from the Community and adequate response from Staff.
39	BC	We understand that in Cartagena the FY12 budget cycle presentation heralded three improvements. The first, Strategic Plan completion timing was addressed. The second was **"SO/AC comment only after framework or Draft plan posted" was solved by "SO/AC leadership can submit requests earlier"** This may have been overshadowed by the third, the community support requests. We would appreciate clarification whether the second will be formulated into FY14 cycle.	The Framework and Draft budget have been posted earlier by a minimum of 15 days so as to allow additional comment and response time.
40	BC	**2013 – 2016 Strategic Plan Development:** Is this different from previous years plan development? More recourses to develop grater community interest in this project needed.	Yes the 2013- 2016 Strategic Plan Development is being refined each year given the community feedback from public forums (see current public comment forum http://www.icann.org/en/news/public-comment/stratplan2013-04jun12-en.htm) and with staff input. One focus this coming year is to better align the development of the Strategic Plan with the Operation Plan and Budget process.
41	CSG	The CSG Business and Operating Plan Working Group continues to find itself quite challenged to offer comments at this time as the **21-day public comment period is inadequate.** he reduced duration of the baseline to 24 days for FY13 (1 May to 24th May) public comment from 31 days for FY12 (17 May to 17 June) is antithetical to true transparency and accountability. That is not in ICANN's interest, nor in our commitment to analyze, consider and comment.	Thank You for your comment; it sill be passed to the appropriate recipients.
42	ccNSO SOP WG	The SOP WG noted that the Board has changed its working procedures, in particular with regard to decision-making. As a result the timeline of decisions on the FY2013 Ops Plan and Budget has become unclear. We would **like to understand if the Board is going to decide on the FY2013 Ops Plan and Budget at the Prague meeting, and if not, when this will happen.**	The process is for the Board Finance Committee to recommend to the Board to approve the annual budget. The BFC has formulated a recommendation and the Board will have the elements to formulated a decision in Prague.
43	ccNSO SOP WG	The SOP WG strongly **urges ICANN to be consistent with its planning, and schedule** well in advance of publication of its Operational Plan and Budget (Framework).	The major milestone dates relative to the Budget process as shared in Dakar have been met so far (publication of the Framework on January 17, publication of the Draft budget on May 1st).
44	ccNSO SOP WG	The SOP WG notes that the public comment on the draft Operational Plan and Budget has been adjusted to reflect the implementation of the ATRT Recommendations nr 15---17. The public comment period on ICANN Draft FY2013 Operating Plan and Budget opened on 1 May 2012 and closed on 24 May 2012, and the "Response Cycle" closes on 15 June 2012. Effectively this results in a reduction of the public comment period from 31 days to 24 days, compared to last year's process. At the same time the volume and complexity of the FY 2013 draft Ops plan and Budget has increased considerably. Without going into the merits of "Comment" and "Response Comment" cycles, the SOP WG **firmly believes that the revised, split, public comments timeframe for this fundamental process has the exact opposite effect than the intended purpose "to provide adequate opportunity for meaningful and timely comment**. This element should be taken into due account especially if a Supporting Organisation, such as the ccNSO, has to coordinate its own processes within the constraints of the public comment mechanism. Although it is outside the scope of the draft Ops Plan and Budget, the WG urges ICANN, in particular the ICANN Board Public Participation and assigned staff, to **review and reconsider the current, public comment process for the future, including its timeframes.**	Thank You for your comment; it sill be passed to the appropriate recipients.
45	ccNSO SOP WG	Since its creation in November 2008, the SOP WG has been involved and provided input in ICANN's strategic and operational and budget planning processes. On numerous occasions, the SOP WG has stressed the importance of –and lack of--- predictable and adequate scheduling. The SOP WG is concerned that only after the draft FY13 Ops Plan and Budget was made public, briefing calls were organised and eventually re---scheduled. Moreover, the fact that the calls were set halfway through the public comment period itself reduces the effectiveness of the process. The SOP WG strongly urges ICANN to be consistent with its planning, and schedule well in advance of publication of its Operational Plan and Budget (Framework).	Thank You for your comment, and we will be working closely with the community starting in Prague to build a more structured and efficient planning cycle, including community input.
46	ccNSO SOP WG	For each of the listed strategic priorities, activities and projects, we continue to recommend the inclusion of measurable milestones, deliverables and goals in the Operating Plan, bearing in mind that the measurements can be both qualitative and quantitative. Without these, it is impossible (for the CEO, Board, staff and the community) to appropriately measure progress, signal lack thereof and take corrective measures	Thank You for your comment. ICANN is committed to improve the monitoring of projects in FY13.
47	ccNSO SOP WG	The SOP WG notes that according to the FY13 draft Ops Plan and Budget operating expenses are estimated at $74.4 million (vs. $62.6 million in FY12), an 18.8 percent increase over the FY12 forecast, against an estimated 11.4 percent increase in revenues ($78.9 million vs. $70.8 million in FY12). The SOP reiterates its comments from previous submissions that costs seem to be spiraling out of control.	The budget document provides for detailed comments on year on year variances in revenues and expenses. Such expenses have been formulated as a result of a bottom up process of input by ICANN staff, and several iterations of review by ICANN management, with Board input as well as community input. Expenses receive ample level of review by adequate management prior to being approved for spend. Further details can be provided on the level of control associated with expenses being incurred.
48	ccNSO SOP WG	It is the understanding of the SOP WG that the increase in expenses mainly results from an increase of $ 4.7 million in employee costs and $ 5.8 million in Professional Services (again without taking into account the new gTLD program). The SOP WG reiterates its concern that ICANN may not be structured to cope with management challenges, it faces with the planned increase in number of employees and professional services. Even more so if one takes into account the envisioned use of Professional Services for the new gTLD program (budgeted at $ 30 million.) The SOP WG would appreciate to learn how ICANN anticipates managing the expected growth of the organization and the professional services..	The ICANN management reviews and adjusts the structure of the organization to adapt it to the requirements of the operations from both a strategic and tactical standpoint. The increase in staff resources reflects the response provided to the increase in scope or volume of work expected.
49	ccNSO SOP WG	The SOP WG notes that according to the Functional overview of the "Organizational Activities" (page 8), every single activity shows an increased budget compared to the FY12 Forecast, ranging from 1.9% to 85.1%. This is neither a desirable nor a logical development.	The expenses have been formulated to support the activities required to achieve the strategic objectives.

REF #	SOURCE	QUESTION / COMMENT	RESPONSE
50	ccNSO SOP WG	The SOP WG notes that the FY 2012 adopted budget indicated an operating loss of $ 3.5 million. The FY12 Forecast now shows a profit of $ 5.5 million. That is a $ 9 million difference between budget and forecast or 12 % on a budget of $ 70.6 million. Although this is an improvement in budgeting compared to FY 2011 (over 20% difference), the SOP WG is concerned about the difference between the budgeted expenses and forecast/actual spending and would like to understand the difference over the years, in particular if there is structural under---spending over budget in some area's and the reasons for doing so.	Staff will ensure to complete the financial multi-year view which will provide some insight and enhance the analysis and communicate a variance vs. budget in the future.
51	ccNSO SOP WG	In the context of realistic planning, the WG also notes that the FY 2013 plan contains 13 Strategic Priorities and 25 projects. Prioritization is unclear. It would be recommendable for ICANN to prioritize in advance, as it is predictable that in the course of FY 2013 the need to prioritize will emerge, with a slow---down as a consequence. If not because of lagging ICANN resources, it will be because of overstretching the capacity of the volunteers, who's contributions are an integral part of the initiatives.	Thank You for your comment and please note that in our community webinars on the Framework and Budget, we emphasized the fact that the FY13 Priorities were not in any order, but presented to the community for feedback to understand what the community felt the priorities should be within this fiscal year.
52	ccNSO SOP WG	Over the last few years the Operating Plan and Budget contained a breakdown of ICANN's expenses per SO/AC (the Expense Area Grouping). The WG notes the FY 2013 draft Plan does no longer contain such an overview. The SOP would like to understand why this overview is not provided. The WG would also like to know if ICANN envisions to replace the EAG with a more adequate overview /indication, and if so, when this can be expected. The SOP WG is aware that the ccNSO Finance WG, and for that matter the ccTLD community as a whole, have in the past and at several occasions asked ICANN staff for more detailed information substantiating both the EAG and the call for an increased contribution by the ccTLD community to ICANN's expenses. Such information is considered essential to develop a reasonable and fair voluntary financial contribution model.	The ICANN staff commits to define with the Community a process that leads to the formulation of a method to determine costs that supports the overall objective of understanding costs. The timeline for such process to be completed will be dependent on the engagement that the Community and the Staff will be able to provide to this project during FY13 based on available resources and level of priority.
53	ccNSO SOP WG	DNS Operations: We are surprised that one of the core activities of ICANN in the Internet eco---system is "lost" in the long "Core Operations" shopping list. And again, we regret to see a mix of management of current activities and objectives corresponding to new activities.	Need further understanding of the comment to be able to answer it.
54	ccNSO SOP WG	Global Engagement and Increasing International Participation: The almost three pages action list is incoherent and lacks prioritization and coordination and supervision against precise goals and targets. We continue to miss a consistent and long---term plan to engage with other international organisations that are or are becoming very active in specific areas of Internet governance.	Thank you for the comment. ICANN is committed to further improve the formulation of strategic objectives, fiscal priorities and operational activities related to Global engagement during the FY14 process.
55	ccNSO SOP WG	Community Support: This infrastructure is designed to maximise the ability of community groups to participate substantively in policy development, to be active in community discussions and to manage general organisational governance". This is an extremely worthy activity. We compliment the fact that some measurable goals and time frames are included in the action list associated to this activity. However, we recommend an in---depth evaluation of the added value gained throughout this activity.	Noted
56	ccNSO SOP WG	Core Meeting Logistics: The SOP WG is surprised by the planned increase in FTEs. The text states that this is due to the "increase in size and complexity of the meetings", but we fail to see this increase. Moreover, we would like to ask ICANN to further evaluate the need of translation and interpretation services on a large scale against the effective number of users. We also read "support an average of five additional meetings requested by the Board, staff and communities". We believe that the need of any additional meeting should be investigated and eventually, video conferences or other means used to contain the costs.	ICANN continues to monitor the growing size and nature of the ICANN Meetings, the support required from staff to facilitate those meetings, and the Language Services needed. Currently there is a public comment period open on Language Services: http://www.icann.org/en/news/announcements/announcement-2-18may12-en.htm.
57	ccNSO SOP WG	Although Contractual compliance does not directly relate to the ccTLD community, the SOP WG notes the exceptionally large projected increase in headcount in relation to the listed activities (again with no priorities and time frames). We would like to reiterate our invitation to ICANN to measure efficiency of its operations and teams.	Noted. With the growth of New gTLDs, the Contractual Compliance team will definitely need to grow, and with that growth comes a need to include goals, measurements and reporting on activities related to that department's work.
58	ccNSO SOP WG	SSR: The action list under this activity is confusing. It is a mix of real actionable points (some of them are considered very valuable like "Conduct DNS Risk Management Framework assessment") and administrative rules to allocate time (e.g. "Support to Global Partnership and Regional Vice Presidents in representing ICANN"). It is the further understanding of the WG that the SSR department has published its own activity plan for FY 2013. One would expect that the main lines of this plan would be incorporated in ICANN's Ops Plan and Budget. The WG would appreciate a clarification on the relation between the two, in particular: 1. If a change of the FY 13 Security, Stability & Resiliency Framework will have budgetary consequences after approval of the FY 2013 budget and 2. The difference in monetary terms between the draft FY 2013 Ops Plan and Budget for Security, Stability and Resiliency Operations ($ 9.2 million) and the proposed Framework ($ 3.6 million).	Comment under assessment.
59	ccNSO SOP WG	The SOP WG wants to highlight that the entire IANA function improved considerably over the past decade and that further steps like the introduction of a "Customer service Complaint Resolution Process" could further enhance its quality.	Thank You for your comment; it has been passed to the appropriate staff member.
60	ccNSO SOP WG	IDN: Resources for this activity are expected to grow, almost double for the FY13. Looking at the kind of activities, the increase of costs looks quite unjustified. We believe that the entire IDN programme must be reviewed and streamlined to respond to the concerns of the community.	Since the posting of the draft FY13 Operating Plan and Budget, the IDN Program has been reviewed and revised.
61	ccNSO SOP WG	Organizational Effectiveness and Improvements: ICANN urgently needs to be professionalized in a number of areas in order to obtain operational excellence and world---class corporate governance. This is crucial for success, and thereby conditional for ICANN to maintain its role and position. Combined with the rate at which ICANN is growing, we consider a strong positive development in this area of utmost importance. According to the Plan, "Internal Communication" is considered one of most critical areas to improve effectiveness. We understand from the FY2013 Ops Plan and Budget that ICANN plans to do this with extra staff and tools. We firmly believe that ICANN should start with a careful evaluation of the current resources (including the various office premises around the world) resulting in a clear strategy and actions to optimise them before adding additional employees or communication tools to improve communication.	Noted
62	ccNSO SOP WG	Some of the projects are carried over from the previous year without any indication as to why and what their priority is now. The SOP WG suggests that it would be worth to indicate if projects are reviewed annually and if not completed to ensure they are still relevant. Furthermore, it would probably be useful to clearly identify multi---year projects and put a progress track system in place, not only for the benefit of ICANN itself as an organization, but also for the benefit of the community for whom the project is undertaken and plan its activities.	Noted. ICANN is committed to improve the project tracking and monitoring in FY13.
63	ccNSO SOP WG	It is unclear to us how some of the new projects relate to 'business as usual'. For example, what is the relationship between WHOIS compliance work and "Contractual Compliance"? Will the improving WHOIS accuracy project result in processes to handle complaints etc.? In our view this reflects the lack of clarity around the output of the projects. It is also not really clear from the Ops Plan and Budget why some of the projects have been identified, what their priority is and whether they are a necessary part of achieving a wider objective.	Comment under assessment.
64	ccNSO SOP WG	First of all, and as an over---arching comment, the entire "Core operations" section appears to be an unstructured list of activities. The WG could not identify a logical structure in the presented items in terms of priorities, planning nor anticipated workload. The organisational activities are presented as a collection of input provided by various parties, which is reinforced by the differences in language style in which they are presented.	Noted and will be taken into account during next year's budget process.
65	ccNSO SOP WG	There is a wide range of activities and projects presented under the heading "Core Operations". According to "Framework for the FY13 Operating Plan and Budget" from January 2012 "The Core Operations Budget represents the recurring activities. This is a reflection of costs to operate ICANN and can be assimilated as a base budget or the starting point." The WG is therefore confused: many projects, covering new initiatives, are included in this section of the FY2013 Plan. We understand that ICANN intended to cover this by referring to "functional core operational areas", but we believe that it is of paramount importance both for ICANN itself and the community to clearly identify and understand the scope of ICANN's "core operations" (such as IANA, DNS Operations etc.) and what is considered new project work.	Noted and will be taken into account during next year's budget process.
66	RySG	In Figure 3.0 (FY12 Budget & Forecast vs. FY13 Draft Budget) on p.6 and also Figures 3-19, 3-20 & 3-21 (New gTLD Application Scenarios) on pp.61-64: o How were new gTLD application fees allocated across FY12, FY13 & FY14? o Noting that there is no revenue shown for objection filing fees or other evaluation processing fees beyond the $185,000 application fee, why is there no revenue shown for these fees?	o New gTLD application fee revenues were allocated across FY12 through FY14 based on GAAP accounting guidance explained further in the "Revenue/Expense Recognition policy for the New gTLD Program" position paper which will be posted in the coming days. o Re: objection filing fees recognized as revenues. Comment under assessment.

REF #	SOURCE	QUESTION / COMMENT	RESPONSE
67	RySG	In Figure 3.0(FY12 Budget & Forecast vs. FY13 Draft Budget) on p.6 and also in Figure 3-18 (FY13 Contingency) on p.52: o Considering that the FY12 Forecast predicts that none of the FY12 budgeted contingency funds will be used, **why is there a 48.8% ($1.22 MM) increase in the Contingency budgets for FY13?** o It appears that the contingency amount was determined simply by calculating 5% of the total budget; that would make sense if 5% of the FY12 budget was needed for a contingency, but the FY12 experience does not indicate that. A contingency fund seems reasonable, but increasing it above the FY12 budgeted amount should, at a minimum, be explained. o In the 'Overview of the FY13 draft Ops Plan and Budget' webinar held by ICANN on 15 May 2012 it was pointed out that one key reason for contingency funds is to cover possible litigation costs. This is understood and accepted and it is also realized that the probability of litigation may increase with the introduction of new gTLDs, but there is already a very large amount of funds to cover this in the new gTLD budget.	Some of the contingency funds have been used during FY12, but the expenses appear in the captions by nature and are not disclosed on the contingency line. Comments have been provided as to what the contingency funds is expected to be used for. The increase in the contingency fund is the result of removing from the budgeted expenses items which occurrence is speculative and not predictable, and allocating such items against the contingency fund. This allows to track more precisely the actual costs against budget, and not let unpredictable expenses alter the comparability of budget to actuals. The potential litigation costs related to the new gTLD are not to be covered by this contingency.
68	RySG	In Section 1 on pp.9-10, the detail provided in the summary for '**Stakeholder Projects**' is appreciated but: o Why is the total budget amount not broken down further as is done in summaries for other projects in the document? ☐ $5.279 MM is too large an amount to be given without a **more detailed breakdown.** ☐ It is understandable that the costs of many of the key activities in this project still have a considerable amount of variables, but it is also a fact that the activities involve some critical functions that the community needs to ensure are adequately funded. That is impossible to do without a more detailed cost breakdown. ☐ In developing the $5.279 MM amount, staff had to make some estimates for each of the activities; those estimates and the underlying assumptions should be communicated to the community. o The key activity '**Whois Program**' includes 'technical work on the Whois protocol'. With no intent to minimize the importance of that work but also with the awareness that IETF work is done by volunteers, w**hat exactly will be funded with regard to the IETF technical work?**	Detail: need breakdown for individual projects. Whois: We are planning to have an expert consultant contracted to help develop the restful Whois specification in the IETF.
69	RySG	With regard to the summary for Project 2 on p.11, '**IDN Programs**': o It would be quite **useful if estimated budget amounts were given for each of the activities.** o In particular, how much is budgeted for the 'IDN ccTLD Fast Track' and 'Policy Development', both of which are strictly for the ccTLD community? ☐ Will revenue from ccTLD registries adequately cover the costs of these two activities along with other ccTLD activities?	- Most of the required resources for the IDN Programs are shared across the organization and cannot be economically traced to each activity. The introduction in the past years of both the functional and the project views of the budget has contributed to providing more details on the project and by activity level. - The IDN policy development topic is part of ICANN's ongoing policy development efforts. For the IDN ccTLD Fast Track, please refer to the published cost considerations document on IDN: http://www.icann.org/en/resources/idn/fast-track/analysis-idn-cctld-development-processing-costs-04jun09-en -ICANN does not follow a fee for services operation model, project or program costs are not matched to specific revenue sources. The ICANN multi-stakeholder model works to ensure a secure, stable and unified global Internet.
70	RySG	**IDN:** In Figure 3.1 on p.8, **the large increase (85.1%) budgeted for IDN programs** seems reasonable considering the fact that IDN TLDs will be introduced: o **What are the major components of this increase?** o Does this overlap with IDN program funding included in the new gTLD budget?	Comment under assessment.
71	RySG	With regard to the summary for Project 3 on p.12, '**IANA and Technology Operations Improvements**': o **How much of this** very large budgeted amount ($7.258 MM) is estimated to be in direct support of ccTLDs? o It is very good to see that there will be a focus on 'development of and publication of performance standards' (see the 2nd bullet).	ICANN treats each of the IANA functions with equal priority and processes all requests promptly.
72	RySG	In the summary for Project 5 on p.14, '**Contractual Compliance**', the planned development of 'performance metrics for core operations' is very welcome and something the community has been requesting for many years. Is the plan to eventually convert the resulting metrics into SLAs?	Yes the plan is to eventually convert the resulting metrics into SLAs.
73	RySG	Regarding the summary for Project 6 on pp.15-16, '**Core Meetings Logistics**': o The next to last bullet on p.16, says, "Support an average of five additional meetings . . ."; five meetings in addition to what meetings? In other words, it would be helpful to list specifically what meetings are included in the budget before these five meetings are added. o The last bullet on p.16 says, "Support ICANN Public Meetings and other ICANN meetings . . ."; which 'other ICANN meetings' does this include? It would be informative and **helpful if a clear list of all meetings funded in the budget was provided in one place.**	The ICANN meetings team provide logistics for the 3 ICANN meetings (2 in FY13), the regular 2 Board workshops (3 in FY13) and the 2 Registry/Registrar gatherings.
74	RySG	The 1st paragraph in the summary for Project 7 on p.16, '**Community Support**',states that 'ICANN meeting logistics' are included in this project. Is there a reason why this is not included in Project 6, 'Core Meetings Logistics'? This would likely be clearer if 'core meetings' were defined.	The Community support section includes the travel support for the community to participate in ICANN meetings. The "Core Meeting Logistics" as the name indicates is all the logistical aspect of the meeting: venue costs, catering, gala event, meeting planner, audio-visual, technical assistance, site selection and inspections, etc....
75	RySG	The summary for Project 8 starting on p.18, '**Policy Development Support**', includes support for GNSO and ccNSO policy work: o To be able to **track policy development support costs separately for each of the two SOs** that are financially supported by ICANN budgeted funds, this project should be divided into two different projects, GNSO Policy Development Support and ccNSO Policy Development Support. ☐ This would not only facilitate tracking GNSO policy development support costs in comparison to revenue from GNSO sources and the same for the ccNSO, it would also allow both organizations to determine more accurately the cost/value ratios for the services received. ☐ If either SO decides that the value of some of the services funded does not reasonably justify the costs, the SO could then more easily request changes such as eliminating the funds budgeted or requesting that the funds be redirected or modified in some other way. o The 6th bullet on p.19 indicates that some of the GNSO approved Whois studies will not be initiated until FY13. Why are there such long delays?	-ICANN does not follow a fee for services operation model, project or program costs are not matched to specific revenue sources. The ICANN multi-stakeholder model works to ensure a secure, stable and unified global Internet. Furthermore, the signing of the Affirmation of Commitments, "recognized that no single party should hold undue influence over Internet governance". -The area of interest is the Policy development not the distinction between gNSO and ccNSO. Such report might be of interest but the current priority is to have a concerted effort between the various group.
76	RySG	In the summary for Project 9 starting on p.20, '**Global Engagement & Increasing International Participation**', the 1st paragraph refers to an "increase in sponsorship contribution". What is that?	Sponsorship contribution covers a range of activities from the annual support to the IGF secretariat function to small support requests for events such as regional IGF meetings or other conferences. These provide ICANN access to specific audiences and support various ICANN initiatives
77	RySG	With regard to the summary for Project 14 on p.28, **DNS Operations**, **how much is budgeted for operation of the L-Root**? This would be useful to know considering that the other 12 root servers are provided for at no cost to the community.	- all root server operations are funded from some community or other (e.g.> A/J are funded by VeriSign, presumably cross-subsidized from their revenue from COM/NET registry operations, etc., B is funded by ISI, presumably cross-subsidized from their revenue from course fees, C is funded by Cogent, presumably cross-subsidized from their review from network services, etc.). - The five full-time members of the DNS Operations department provide support for various production services as well as L-Root. there are no staff dedicated full-time to operation of L-Root
78	RySG	Regarding the summary for Project 15 on pp.29-30, Organizational Reviews and Implementation: o The introductory paragraph says that the $719,000 increase above the FY12 forecast is "primarily driven by the increased coordination efforts leading to infrastructure expansion." **More detail is needed to understand what is entailed in 'infrastructure expansion'.** o It would be helpful to **break down the total budgeted amount for this project** into budgeted costs for each of the seven activities listed. o "Conducting the **AoC Competition, Consumer Trust and Consumer Choice Review**" is listed as the fourth activity for this project. Considering that this review is targeted to occur after the introduction of new gTLDs and that it is unlikely than any new gTLDs will be delegated until mid-2013 (the end of FY13 or beginning of FY14), **why are funds being planned for this activity now?** o The description of the sixth activity (2nd bullet on p.30) says, "While most of the implementation plans have been concluded, implementation steps remain to be completed for RSSAC, TLG and ASO." We are now in the next to last month of FY12 and there still remain significant GNSO improvements that have not been completed. **Are funds budgeted to ensure completion of all approved GNSO improvements in FY13?**	Points 1 and 2 were passed back to Finance Point 3: This was a safety measure as the start of this review could be interpreted from the AoC to occur one year after the launch of the New gTLD program. Given the current state of affairs it would be appropriate to defer this from FY 13 to FY14 in the final version. Point 4: Funding for SOAC Review implementation steps are NOT part of the budget for Organizational Reviews (only the OR staff activities related to implementation matters) but pertain to the respective organizations own budget. However, the AoC Review implementation steps are included under this heading.

REF #	SOURCE	QUESTION / COMMENT	RESPONSE
79	RySG	Regarding Figure 3-2 **Overall Operations** on p.31: o Note that over 95% of total revenue is projected to come from gTLD sources (i.e., fees paid by gTLD domain name registrants) via fees paid by: ☐ Registries for existing gTLDs (47.4%) ☐ Registrars for existing gTLDs (45.5%) ☐ Registries and registrars for new gTLDs (2.5%)	Noted
80	RySG	**ccTLD Focus:** o Note that ccTLD revenue contribution is targeted to be $2,000,000 (about 2.5% of total revenue). ☐ What is the **total amount of expenses in the FY13 Draft Budget that is directly targeted for ccTLD support?** ☐ In the most recent past Operating Plans and Budgets, a chart was included that showed the distribution of costs across different functional units such as SOs, ACs, etc. Why was that chart not included in the FY13 Draft Operating Plan and Budget? ☐ What is the **plan for reducing the deficit between ccTLD revenue received and expenses for ccTLD services provided?** Please note that the rhetoric of previous years has not resulted in any significant change, nor is there any real indication that meaningful change is forthcoming; repeating it is insufficient. ☐ We propose a new idea: If ccTLD registry operators do not value some of the services provided by ICANN, why not give them the opportunity to opt out of those services where possible and where security and stability will not be compromised? o Forecasted costs for Employee Benefits exceed FY12 budgeted costs by over $661,000 (24%); what was the cause of this overrun? o On a positive note, **forecasted costs for Professional Services are over $6.9 MM less than budgeted costs; what was the cause of this?**	Refer to EAG comment from Roelof Meijer and corresponding answer. The FY12 employee benefits variance vs budget is mainly due to a classification issue between the Employee benefit budget and the Other employee benefit budget. Regarding professional services, the main variances are disclosed on page 44.
81	RySG	Figure 3-3 FY12 **Revenue Budget** shows a FY12 Forecast of $26,000 of revenue for IDN ccTLDs and no revenue is forecasted for FY13: o Noting that $780,000 were in the FY12 Budget for IDN ccTLDs, **what are the total costs to date for ICANN to introduce IDN ccTLDs in the fast track program?** o **How many IDN ccTLDs have been delegated to date and how many of those have contributed any funds to cover ICANN costs?** o Based on the zero dollars budgeted for FY13, it seems safe to assume that ICANN staff members do not expect ccTLDs to contribute anything to the fast track program costs. Is there a plan to change this or should it be concluded that ccTLD operators should continue to be subsidized by gTLD participants and, if so, what is the rationale for accepting this conclusion? o In Figure 3-4, Registry Revenue, on p.33, the projected revenue for .com was calculated under the terms of the existing .com agreement that expires on November 30, 2012. The draft proposed new .com agreement currently posted for public comment would result in a significant increase in revenue. If revenues do increase, what will be done with the increased revenue?	For the current FY12 fiscal year we have received $26,000 in contributions for IDN cctLD and ICANN is not expecting more applications. The costs related to the development of the IDN program have been documented in a published white paper, please see the following web link for the entire report: http://www.icann.org/en/resources/idn/fast-track/analysis-idn-cctld-development-processing-costs-04jun09-en.pdf So far, ICANN has received 37 unique requests for IDNs and 31 IDN ccTLD strings representing 21 countries/territories have been delegated in the root zone. We have received a total of $184k in IDN ccTLDs contributions. We will provide further data regarding IDNs as a separate communication during FY13. Staff can not speculate as to the impacts of potential changes to contracts under negotiation.
82	RySG	Figure 3-7, **Operating Expenses**, on p.38, shows $20,662,000 budgeted for **Professional Services**. Because this is such a large amount and large percentage of the total expense budget, it is very much appreciated that the costs are broken out into much more detail in Figure 3-12 on p.44.	Noted
83	RySG	**Professional Services Costs:** (pp.44-46), the bullet describing 'Whois and other Studies' on p.45 includes 'Studies for Restful Whois'. Without minimizing the usefulness of these studies, **what is the source of these studies? Who requested them?**	There will be no studies on restful whois and this will be corrected in the proposed FY13 Plan
84	RySG	Regarding Figure 3-14 on p.48, **Breakdown of FY12 Administrative Costs**, It is assumed that this figure should be titled 'Breakdown of FY13 Administrative Costs' (instead of FY12).	Correct.
85	RySG	**'Office rent for Palo Alto'** is included in the **Facilities budget** item in the amount of $410,000 for FY13 (see Figure 3-15 on p.50). Is that office **going to be maintained going forward, and if so, why?**	There are no plan to shut down this office at this stage. There are several employees contributing to on-going operations who operate from this office.
86	RySG	**The description of Project 7, 'Root Zone Management (RZM): v2 - $195K'**, on p.55, says that this project is to update the RZM "system to support new TLD processing and apply feedback from the community with the following scope: . . . to enhance security . . ." Why is adding gTLDs different than adding ccTLDs except for the quantity and rate of adding them and the approval process? Everyone wants it to happen securely, but that should be the case whether it is ccTLDs or gTLDs. A little **more explanation of this project would be helpful.**	The currently deployed Root Zone Management Workflow Automation System provides for automating the ongoing maintenance of existing TLDs, but did not automate the process of creating top-level domains in the root zone. With the Board's approval of the new gTLD program, automation of newly created TLDs is a necessary enhancement because of the potential number of TLDs that may be added to the root zone. The expenditure on the next major update to the system will involve adding new functionality to streamline processing of those requests. As the system is comprised of multiple components and involves interoperability between three parties (ICANN, NTIA, and VeriSign), this budget line item anticipates the end-to-end development and testing of the multi-party system.
87	RySG	• **In reference to Project 14, 'Outreach - $230K' on p.57**, does this include recommendations for GNSO Outreach, which is part of the GNSO improvements plan? If not, where in the draft budget are the funds for GNSO Outreach and how much is budgeted?	Comment under assessment.
88	RySG	• Project 18, SAC 051 Implementation Roadmap - $60K' on p.58, includes facilitating "the development of the new protocol in the IETF". Realizing that IETF work is done by volunteers, for what exactly is the $60K? Is it for ICANN staff participation expenses?	We are considering an open source implementation of restful Whois as specified in the IETF.
89	RySG	Figure 3.21, **New gTLD 2000 Application Scenario**, on p.64 shows *Independent Objector costs of $12.27 MM for FY13, $12.39 MM for FY14 and $90K for FY15? What assumptions were made to arrive at these numbers? A more detailed breakdown of the budgeted amounts would be helpful*. We appreciate the commitment made in the 15 May budget overview webinar to provide more detail.	The budgeted amounts for the Independent Objector were built with the following assumptions: o IO's annual fee, including out of pocket expenses, will be approximately USD$700,000 o 5% of all applications will go to the IO o Average cost of each objection will be USD$80,000.
90	RySG	Note 2 on p.74 says, ". . . this two-day **January 2013 pilot program** (in a hub city) will allow the organization to explore this idea and will serve to gather participants from all non-contract communities." o Is it correct to assume that this is **restricted to the non-contracted communities because the contracted communities already have regional meetings?** o Is the $150,000 budgeted for this included in the $230,000 budgeted for Outreach in Project 14 (see p.57)?	This is a pilot program to explore more opportunities for capacity building and outreach. We will start with the non-contracted parties as a targeted audience since they have specifically made the request for funding but this should not be view as exclusive or restricted to a particular group at this stage. This request is distinct from the $230k budgeted for outreach projects.
91	RySG	Note 4 on p.74 says, ". . . ICANN commits 3 **travel slots per each non contract GNSO Constituency** to fund Constituency leadership or their designates travel to ICANN Public Meetings. . . " o Are the 3 travel slots **in addition to the GNSO travel slots allocated** as part of the existing travel policy, i.e., those that are used by GNSO Councilors or their designees? Will the RySG and RrSG still have three travel funding slots for each of the ICANN public meetings? o Will this become part of the travel policy or **is this a one-time opportunity?**	The travel support funding described in Note #4 is additional to the recurring travel allocation received by the GNSO group. The GNSO receives 20 travel slot on an ongoing basis, 18 for the GNSO council and 2 for the liaisons. As part of the FY13 special budget request, a one-time opportunity will be provided within the GNSO to support 3 more travelers per non contracted constituencies and the NCSG.
92	Individual	The **Recognition of the Application Fees** collected: I'm not quite familiar with the California Fiscal Law, however my recollection from other places around the world - including Chile, France, Spain, Brazil and New York is that only exceptionally fees can be recognized in a Fiscal Year different from the one in which they were collected. To this extent, it seems to me that the Application Fees should be as much as possible recognized in FY12. In fact, if all the Application Fees are recognized in FY12, the ICANN Budget for FY13 will not be contaminated by the new gTLD Process.	New gTLD application fee revenues were allocated across FY12 through FY14 based on GAAP accounting guidance explained further in the "Revenue/Expense Recognition and Compliance with GAAP for the New gTLD Program" memo posted at (insert link)
93	Individual	The Estimation of the **Historical Costs**: The proposed FY13 Budget estimates the total Historical Costs in $29,9M. However, this estimation is based on costs until September 2010. Certainly, there is no reason why the costs incurred from October 2010 to June 2012 should not be added to this figure	Historical Costs are currently being updated and a revised amount will be included in the New gTLD Budget Scenario to be posted with the FY13 Adopted Budget
94	Individual	The **Timeline of the Repayment of the Historical Costs**: The proposed FY13 Budget assigns $25K per application to a Repayment Fund and defines a timeline of payments over two years. Clearly, with more than 2000 applications this assignment would be largely excessive and the Repayment Fund and its timeline unnecessary. Effectively, the Application Fees collected allows repaying entirely the Historical Costs in the FY12. Of course, if at the end of the new gTLD round there is a deficit, then ICANN is committed to fill the gap, incurring in new Historical Costs to be added to the next round	Any cash surplus resulting from the over-collection of Historical Costs repayments will be handled in accordance with the "Excess Funds" portion of Section 3.2 of the FY13 Draft Budget.

REF #	SOURCE	QUESTION / COMMENT	RESPONSE
95	Individual	**The Contingency Risk Fund:** The proposed FY13 Budget assigns $60K per application, which is consistent with the risk analysis, realized when the $185K was estimated. However, the 100 % refunding recently adopted forces to apply this assignment to non-withdrawn applications	That is correct, the current plan is to apply the Contingency Risk contribution only to non-withdrawn applications.
96	Individual	The **Refunding:** The proposed FY13 Budget assumes quite conservative rates of refunding. My take at this respect is to adopt more realistic rates of refunding	The refund rates retained resulted from the assumptions of refunds resulting from the application process. At this stage, there is no further information available to suggest these assumptions are not reasonable. The refunds that happen between the reveal date and the beginning of the application processing has not been estimated as it is purely speculative.
97	Individual	A small suggestion for something you could do with the enormous pile of cash that you have received for new TLD applications: You could donate a large proportion of the money to support Internet development, such as making IETF meetings cheaper to attend and to help fund development initiatives such as the NSRC.	The new gTLD application fees collected result from an estimate of the costs to process such applications, with the defined amount of excess for 2000 applications. With the exception of such defined excesses, the "enormous pile of cash" is expected to cover for the processing of the applications and for no other use.
98	ALAC	Regarding the IDN program, the ALAC find it important to make use as much as possible of the expertise of community members who bring linguistic source knowledge, which would minimize hiring external experts. The variant studies done by the six voluntary community member groups showed how useful the contribution of the community members can be. Use of this resource may decrease drastically the program cost.	Noted.
99	ALAC	The ALAC believes that being inherent parts of the new gTLD application process, the TAS, the Digital Archery and the other system security of the new gTLD should not be counted in the core operation and project component of the budget, but in the new gTLD budget.	Noted.
100	ALAC	The ALAC welcomes the improvement in the interaction with the constituencies regarding the community additional requests. Nevertheless, the rejection of the projects planned in a non---ICANN event seems to be arbitrary. Instead, this could be considered as an outreach and communication operation since it would showcase the ICANN community work in the wider Internet ecosystem.	ICANN staff will continue to work with the community on refining and building consensus around the definition of "outreach; the funding decisions are an attempt to have a coordinated focus and purpose to ICANN's participation in such forums.
101	ALAC	The ALAC notices with great satisfaction that ICANN will participate in the upcoming IGF differently and more effectively, making use of its community initiatives. The community workshops during the IGF directly involving ICANN communities give ICANN a significant visibility that has a great impact on its image. Workshops at IGF provide a substantial input to IGF proceedings. The ALAC therefore believes that the coordination between ICANN management and the concerned constituencies for the preparation of the ICANN participation in such an event is of great importance.	Noted and will be further elaborated on in Prague and early in the fiscal year as implementation planning begins.
102	ALAC	Building on the successful experiences of AFRALO and LACRALO capacity building programs held in Dakar and San José respectively, the planned programs for Toronto and Asia Pacific (TBD) in FY 2013 show the receptivity and reactivity of the ICANN management to those fruitful activities led by the At---Large community. The ALAC expresses its satisfaction and its commitment to make the budgeted programs successful and fruitful for the community and for ICANN as well.	Noted
103	ALAC	On the other hand, the ALAC finds it abnormal that the global revenue of the Ombudsman increases by more than 28% because of an additional administrative cost for renting an office and the associated expenses.	Noted.
104	ALAC	The ALAC reiterates its concern about the huge disparity in the registry fees. They do not follow any rule and show an arbitrary way of charging the 18 existing gTLDs registries: some do not pay the fixed fees, others do not pay the per---transaction fees, and the amount of the fixed and the per---transaction fees changes from a registry to another. We can notice that dot com does not pay the per---transaction fees while the dot cat (community TLD) pays the per---transaction fees at one of the highest rate ($ 1 per transaction) as well as the fixed fees.	Noted.
105	ALAC	Now that new gTLDs will be accredited, the ALAC advises that the community not for profit TLDs should be charged at a minimum rate while the rest of all TLDs should be charged uniformly according to well---defined rules.	Noted.
106	ALAC	On the subject of ICANN offices, the ALAC notices that they are mainly located in North America. The ALAC believes that if a Regional Office network is required to effectively serve a global community and the strategic objectives and activities of ICANN, then a plan for such (inclusive of a review of and rationalization for location and operation/staffing of existing offices and requirements such as outreach and the work of Global Partnership and the ACs and SOs), should be undertaken to ensure an effective, efficient, appropriate, regionally balanced and properly resourced and coasted global offices network and we assume supported by the ICANN community and stakeholders.	There are currently ICANN offices in the U.S., Australia, and Belgium, with proposed office in Singapore, should the decision to open such office is taken. As well, regional representation is provided in Western Asia, Africa, Eastern Europe, Latin America and the Caribbean and Asia is considered. ICANN will continue to look at opportunities and the need for further representation in the ICANN regions.
107	SSAC	In summary, ICANN's proposed Fiscal Year 2013 (FY13) Operating Plan and Budget decreases ICANN's overall support for the Security and Stability Advisory Committee (SSAC). This is a surprising situation given SSAC's role, and confusing considering that ICANN has budgeted overall increases for engagement and increasing participation across ICANN. There is a high risk that the SSAC will lose effectiveness due to lack of support from ICANN, and the SSAC requests reconsideration in dialog with ICANN management. We also question the rationale behind the denial of one of our funding requests for the SSAC's standing annual retreat, which SSAC uses for strategic planning and work sessions attended by our volunteers. We would like: restoration of the retreat funding; to receive travel support for ten members per ICANN meeting as included in the current draft budget; and we would like to see a few improvements to address the lack of SSAC Administrative Committee face-to-face meetings and logistical issues during ICANN meetings, which inhibit the effectiveness of the SSAC. This will involve an addition of perhaps $95,000 to the current draft budget.	Further to the public comment provided by SSAC, Staff has revised the support provided to SSAC as it relates to the SSAC retreat request and has suggested that this request be granted.