ICANN Business Constituency Comment

on

Draft FY24–28 Operating & Financial Plan and Draft FY24 Operating Plan & Budget

13-Feb-2023

Background

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter. The mission of the BC is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. Promotes end-user confidence because it is a safe place to conduct business;

2. Is competitive in the supply of registry and registrar and related services; and

3. Is technically stable, secure and reliable.

Comment on draft Operating and Financial Plans for FY24-28 and FY24

The BC is in general agreement of the funding and expense scenarios laid out for the draft Operating and Financial Plans for FY24-28 and FY24. Naturally, the multi-year proposal requires continued monitoring and we appreciate that annual public comment requirements will allow for input from the community.

The draft documents provided for review represent an enormous and thorough effort on the part of the ICANN Financial team and the BC recognizes this and appreciates their diligence.

Accordingly, the BC accepts the proposed 'base-case' funding forecast of $145.3 million for FY24, rising to a projected $152.7 million by FY28.   We also note that "ICANN plans for operating expenses to remain at or lower than budgeted funding, drawing from designated and available funding sources", with $145 million for FY24 rising to $153 million in FY28.

The BC also notes that this funding and expenses represent a reasonable reflection of current and expected activities.

Observations on Issues important to BC

In reviewing the draft Operating and Financial Plans, BC took special note of the trends process, specifically findings of the FY24 Strategic Outlook Trend Impact Assessment and FY24 Trend Report. It is clearly noted that the process took place between February and April 2022 as input for FY24 planning and that "It should be noted that this data is collected based on participants' perceptions and opinions at a point in time." While we see the issues that were identified as still being valid, we seek to make sure that they are appropriately resourced given changes over the past year.

BC would like to highlight our views on attention that was given to the matter of DNS Abuse and Geopolitics.

DNS Abuse

The Trend documents confirm that **"**The topic of DNS abuse and DNS security threats continues to be widely discussed within the ICANN community." We noted that the Trend Assessment indicates the need to "evaluate short term action." The Trend Report posts "No change to Strategic Plan". While several initiatives within and outside ICANN are referenced to illustrate the significant attention being given to DNS Abuse, mostly to monitoring and reporting on the matter, it must be noted that additional momentum has been given to mitigate DNS abuse in the past year and we would like to see how that attention is being reflected in the work for FY24.

Geopolitics

Trend materials acknowledge that "Efforts to regulate or legislate the Internet continue to intensify, and the current geopolitical landscape has added pressure. This could lead to policy fragmentation within the internet ecosystem." In this case, the Trend Assessment indicates the need to "Consider evaluating short term action." The Trend Report states, "No change to Strategic Plan." Not mentioned, presumably due to the time frame in which the Trends were being reviewed, is the recent adoption of the Network and Information Security (NIS2) Directive by the European Union.

The BC believes that the passage of NIS2, which will now be transposed into law by each EU State, requires a plan by ICANN to update the System for Standardized Access/Disclosure (SSAD) and allocate necessary legal and policy resources to address State law.

The BC acknowledges that the O&FPs for FY24-28 and FY24 indicate support for the "anticipated implementation of a WHOIS Disclosure System as well as a standardized system for accessing registration data" and "Continued engagement and activities related to implementation of the EPDP on Temporary Specification for gTLD Registration Data Policy Phase 2A, and management of the EPDP Phase 2 recommendations on a System for Standardized Access/Disclosure (SSAD) to Non-public gTLD Registration Data."

We also note in Strategic initiatives that "Should the Board determine to proceed with the implementation of the SSAD, it is proposed that the funding of the corresponding costs come from the Supplemental Fund for implementation of Community Recommendations (SFICR)."

While the stated attentions are positive, they do not address the specific and immediate reality of NIS2 and necessary resources. Therefore, the BC calls for specific allocation of resources for legal and policy work to update SSAD policies as the European States transpose NIS2 into their own laws and regulations.

This comment was drafted by Tim Smith.

It was approved in accord with our charter.