ccNSO Finance Working Group: Survey on ICANN Contributions and Services

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March 11, 2012

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Objectives:

1. To gather insights that will help the ccNSO Finance Working Group better understand existing ccTLD contributions to ICANN.

2. To address which contribution models may be acceptable to the ccTLD community.

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Research design:

- Every ccTLD in IANA's root zone database (255 total)

- ccNSO Finance Working Group-created questionnaire made available on-line.

- Email invitation sent to each ccTLD (unique access code).

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Research design:

- Questionnaire launched in mid-December 2011.

- Interim analysis and report is based upon 55 responses received up to February 14, 2012.

- Survey remains on-line for subsequent participation by ccTLDs.

- *If you haven't already done so, please complete the survey!*

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ICANN services attributed to ccTLDs by ICANN:

- IANA functions and services for country code registries.
- Local presence in regions, engagement with ccTLDs, regional organizations.
- Policy work and secretariat support for the ccNSO.
- Manage the IDN ccTLD Fast Track operations.
- An allocation of overhead costs such as rent, human resources and accounting.

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ccTLDs use different ICANN services:

- ccTLDs `run their own shop':
  - ccTLDs do NOT use ICANN policies.
  - Manage compliance.
  - Certify and manage Registrars.
 - In general, ccTLDs run their own whois.

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RELATIVE CURRENT-USAGE INDEX OF *ICANN* TECHNICAL RESOURCE AND SUPPORT SERVICES...

- Root zone management …………………………………………………..
- Info. and policy updates and newsletters ………………………………..
- Delegation / Redelegation …………………………………………………..
- Avail. And partic. of ICANN senior staff and board members at meetings
- Travel funding to attend ICANN meetings ………………………………..
- IPv6 rollout …………………………………………………………………….
- ccTLD training …………………………………………………………………
- Other ICANN resources and support ……………………………………..
- Deployment of IDN ……………………………………………………………
- Regional liaison and offices ………………………………………………..
- Registration systems …………………………………………………………
- Local DNSSEC adoption ……………………………………………………..
- Solutions for DNS security ………………………………………………….
- New TLD rollout ……………………………………………………………….
- Simultaneous intepretation and translation of documents ………………..
- DNS-related software ………………………………………………………….
- Availability of ICANN proceedings and meetings in six UN languages ….

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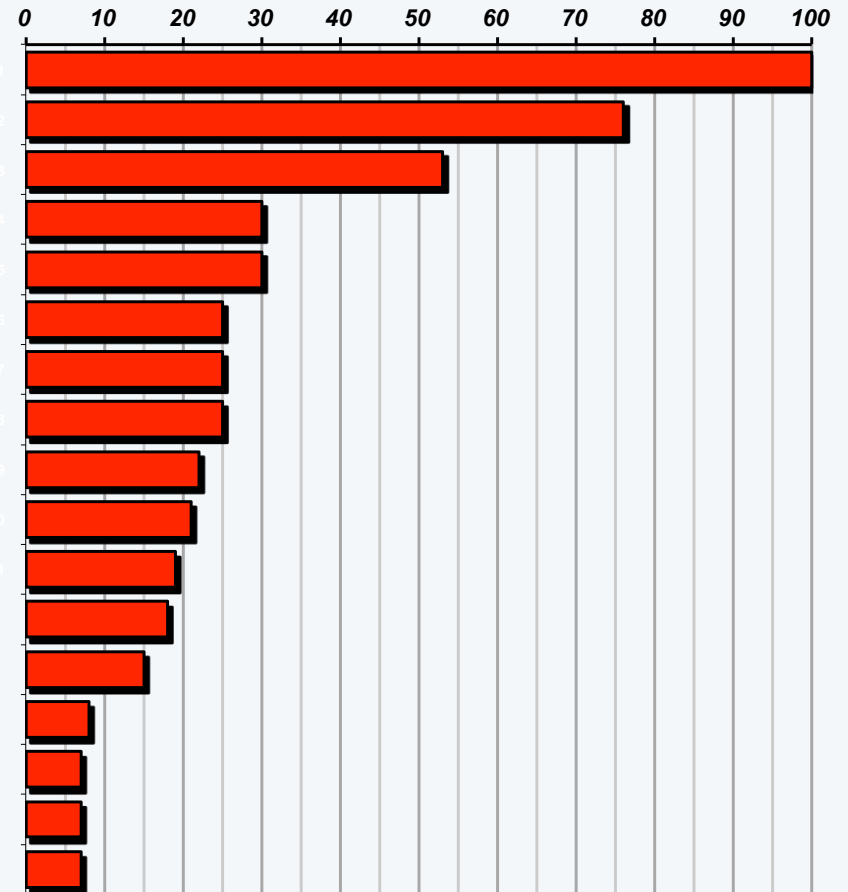
RELATIVE CURRENT-USAGE INDEX OF *ICANN*
TECHNICAL RESOURCE AND SUPPORT SERVICES
BY NUMBER OF DOMAIN-NAMES MANAGED…

- Root zone management …………………………………………………..
- Info. and policy updates and newsletters ………………………………….
- Delegation / Redelegation …………………………………………………..
- Avail. And partic. of ICANN senior staff and board members at meetings
- Travel funding to attend ICANN meetings …………………………………..
- IPv6 rollout ……………………………………………………………..
- ccTLD training ………………………………………………………………
- Other ICANN resources and support ………………………………………..
- Deployment of IDN …………………………………………………………
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- Solutions for DNS security …………………………………………………….
- New TLD rollout ………………………………………………………….
- Simultaneous intepretation and translation of documents ………………..
- DNS-related software ………………………………………………………
- Availability of ICANN proceedings and meetings in six UN languages ….

< 100,000
100m-1million
> 1million
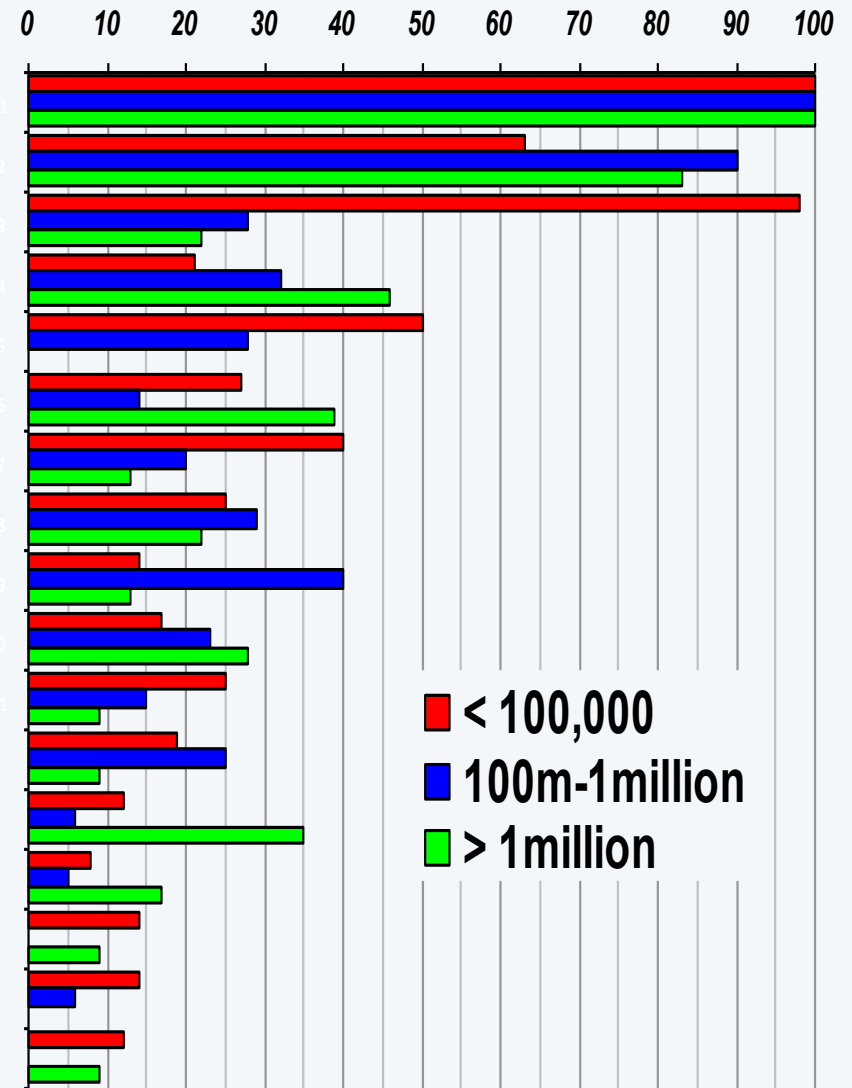
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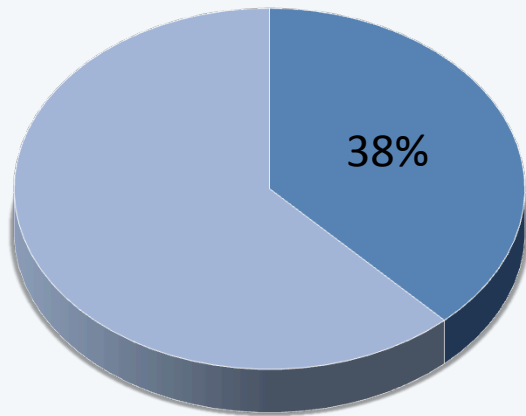
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Finding #1:

The ccTLDs that use the least amount of ICANN services make the largest financial contributions.

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Incidence of contributions based on domain names under management.

FINANCIAL CONTRIBUTION BY FORMAL AGREEMENT	MEAN	MEDIAN
< 100M DOMAN NAMES	$1,200	$1,000
100M – 1 MILLION NAMES	$13,500	$16,000
> 1 MILLION NAMES	$76,000	$40,000

VOLUNTARY FINANCIAL CONTRIBUTION	MEAN	MEDIAN
< 100M DOMAN NAMES	$3,700	$1,500
100M – 1 MILLION NAMES	$8,600	$5,000
> 1 MILLION NAMES	$69,000	$65,000

38%

- Four in 10 ccTLDs indicate that their contribution to ICANN is related to the number of domain names being managed. However, the above table shows that across all ccTLDs who participated in this study, there is a clear pattern of size of contribution correlating with size of domain-name base.

- Size appears to drive contribution level for both voluntary and agreement-base support.

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**Number of years ccTLDs have been
providing financial support to ICANN**

	0%	25%	50%	75%	100%
1-5					
6-9					
10+					
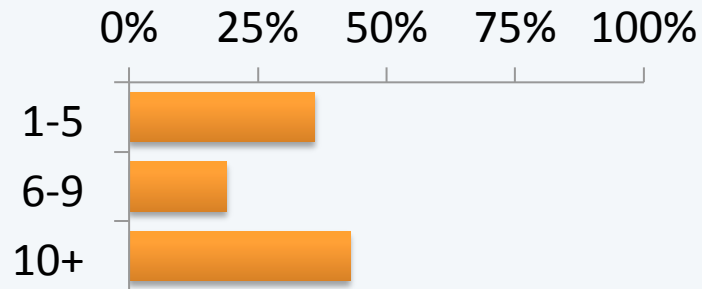
AVERAGE LENGTH OF TIME CONTRIBUTING TO ICANN	MEAN	MEDIAN
< 100M DOMAN NAMES	6.1 years	5 years
100M – 1 MILLION NAMES	7.5 years	9 years
> 1 MILLION NAMES	8.4 years	10 years

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FREQUENCY OF ccTLD TRAVEL TO ATTEND ICANN MEETINGS

- ■ 3 Times per year
- ■ Twice per year
- ■ Once per year
- ■ Never
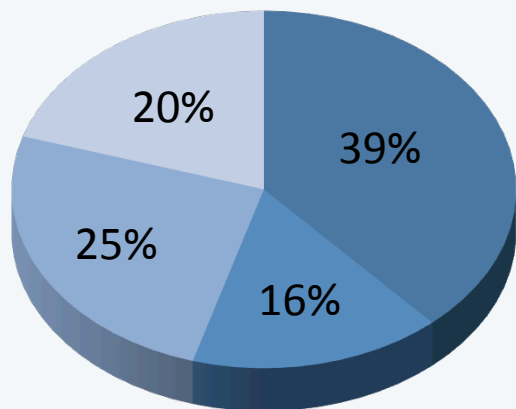
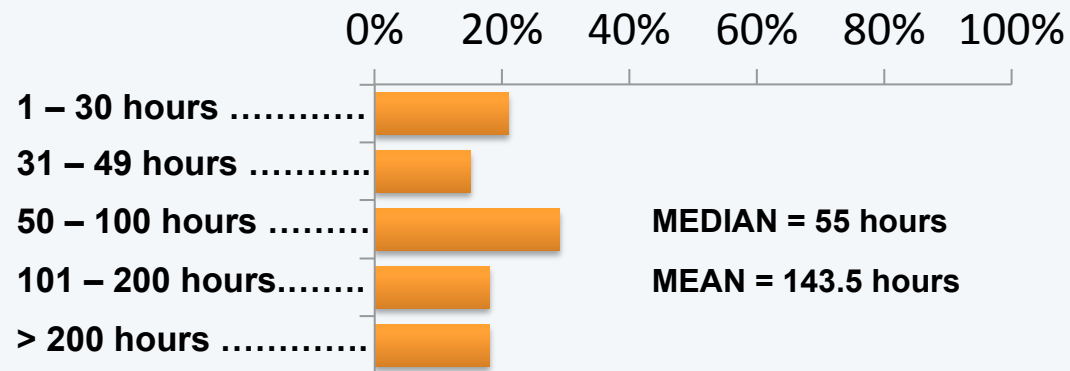| INCIDENCE OF ATTENDING ICANN MEETINGS 3 TIMES PER YEAR – BY TYPE OF $ SUPPORT FOR ICANN ACTIVITIES	
VOLUNTARY $ SUPPORT	59%
$ SUPPORT BY AGREEMENT	43%
BOTH VOLUNTARY AND BY AGREEMENT $ SUPPORT	33%
NO $ SUPPORT PROVIDED	0%

INCIDENCE OF ATTENDING ICANN MEETINGS 3 TIMES PER YEAR – BY NUMBER OF DOMAIN NAMES MANAGED	
LESS THAN 100,000	7%
100,000 – 1 MILLION	53%
MORE THEN 1 MILLION	92%

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**NUMBER OF PERSON HOURS SPENT ANNUALLY
ON ccNSO ACTIVITIES**

0%   20%   40%   60%   80%   100%

1 – 30 hours …………

31 – 49 hours ………..

50 – 100 hours ………   **MEDIAN = 55 hours**

101 – 200 hours……..   **MEAN = 143.5 hours**

> 200 hours ………….

- Among ccTLDs who participate in ccNSO activities, an average of around 143 person hours per year are devoted to this activity.

- ccTLDs who have hosted ICANN meetings and those who provide agreement-based financial support also provide significantly higher than average contributions of person hours.

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INCIDENCE OF ccTLDs REVIEWING ICANN WORK AND PROVIDING COMMENT ON VARIOUS ISSUES DURING PUBLIC COMMENT PERIOD
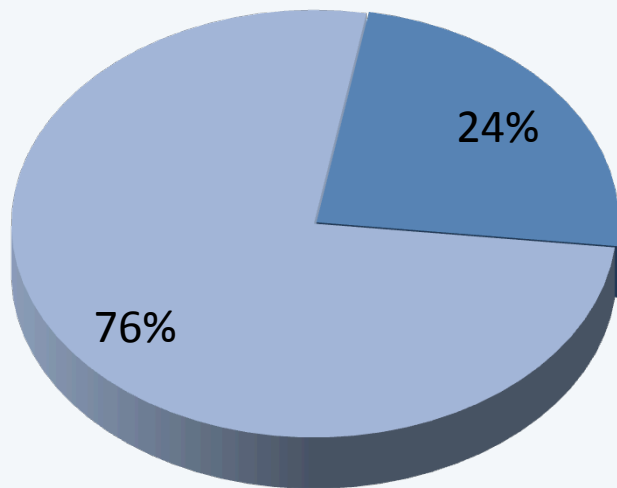
64%

36%

- Close to two-thirds of total respondents indicate that they provide comment on various issues during public-comment periods.

- Incidence of participating in this activity increases with the domain-name size of ccTLDs and is significantly highest (85%) among those ccTLDs who have previously hosted an ICANN meeting.
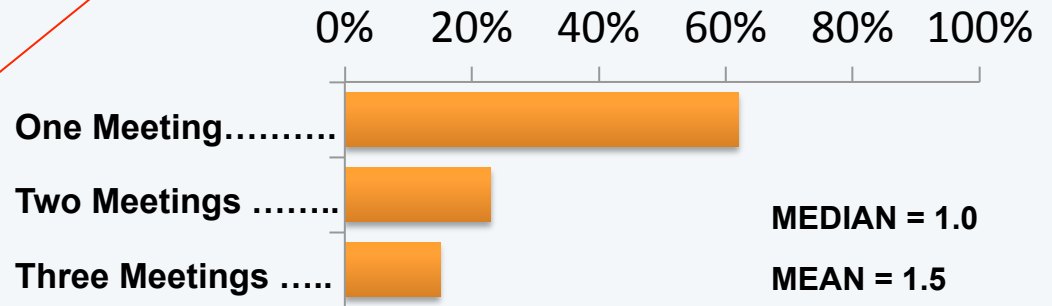
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**INCIDENCE OF SPONSORING MEALS AND EVENTS AT ICANN MEETINGS**

Yes ■ No ■

24%

76%

NUMBER OF ICANN MEETINGS PER YEAR FOR WHICH MEALS AND EVENTS ARE SPONSORED

| | 0% | 20% | 40% | 60% | 80% | 100% |

One Meeting..........

Two Meetings ....

Three Meetings .....

MEDIAN = 1.0

MEAN = 1.5

- The majority of ccTLDs sponsoring meals or events do so, on average, for one meeting per year.

- On average, 15% sponsoring meals or events for three meetings per year.

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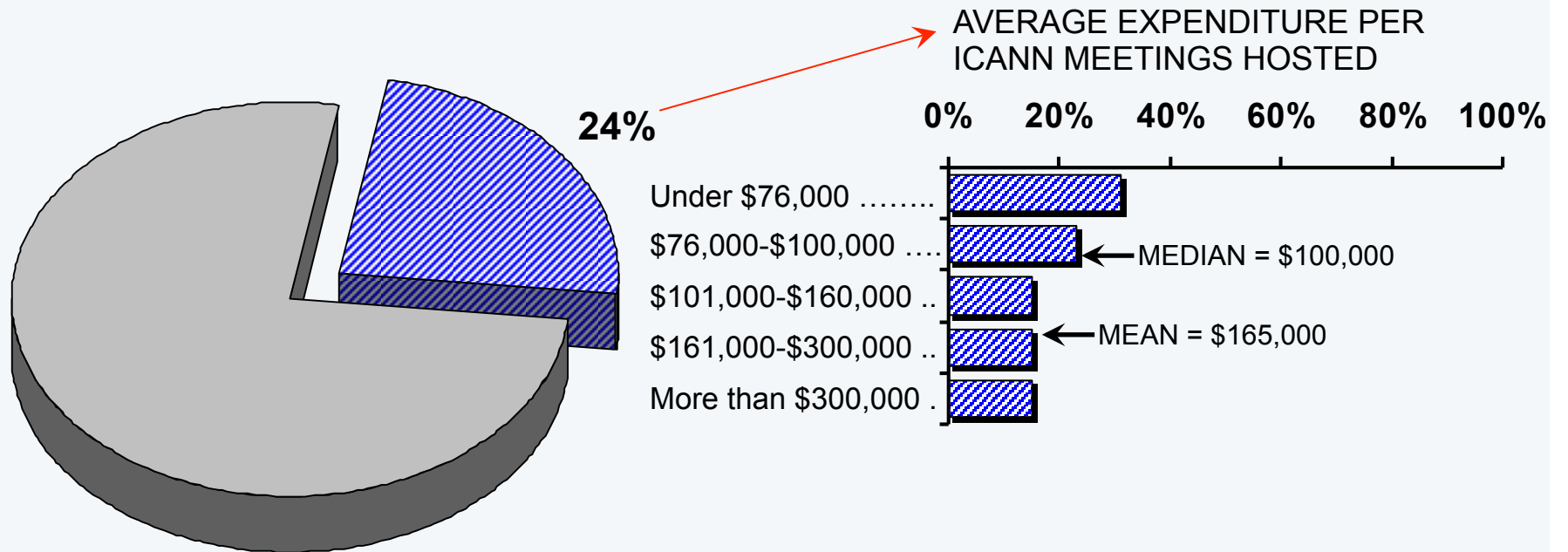**INCIDENCE OF HAVING EVER HOSTED
AN ICANN MEETING**

NUMBER OF ICANN MEETINGS HOSTED

24%

| | 0% | 20% | 40% | 60% | 80% | 100% |

One Meeting………..

Two Meetings ……...
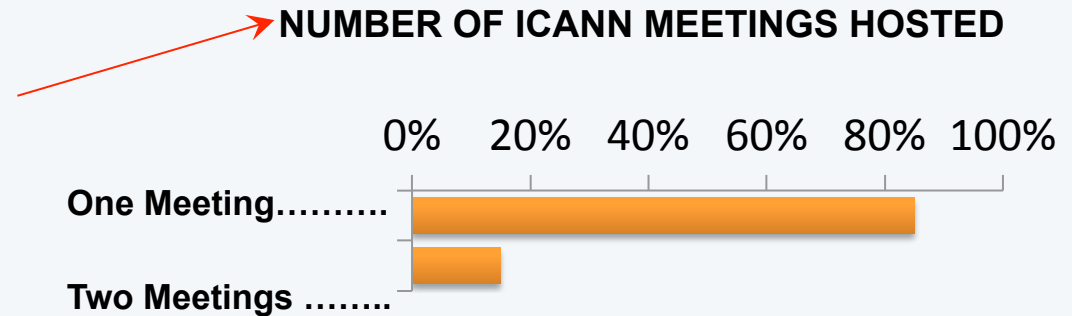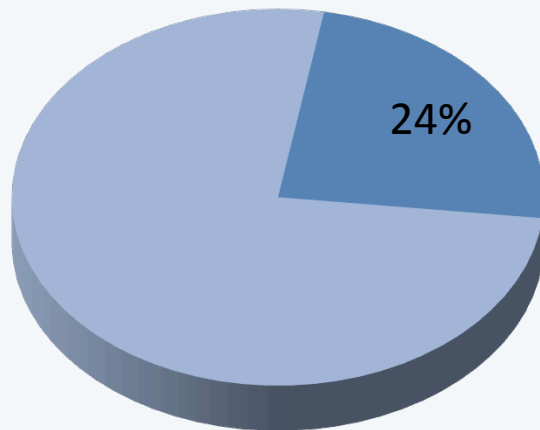
Average Cost to ccTLD Host:
Agreement - $274,000
No Agreement - $119,000

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INCIDENCE OF HAVING EVER HOSTED AN
ICANN **MEETING**

AVERAGE EXPENDITURE PER
ICANN MEETINGS HOSTED

24%

	0%	20%	40%	60%	80%	100%

Under $76,000 ….…...

$76,000-$100,000 …. ← MEDIAN = $100,000

$101,000-$160,000 ..

$161,000-$300,000 .. ← MEAN = $165,000

More than $300,000 .

• Average expenditure increases significantly by number of domain-names managed, rising from $5,400 among host ccTLD's with fewer than 100,000 managed domain names to $248,000 among host ccTLD's with more than one million domain names under management.

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Finding #2:

The financial contribution of ccTLD is independent of a formal arrangement between ICANN and ccTLD.

Or in statistical terms: There is no correlation between financial contribution of a ccTLD and formal arrangement between ICANN and ccTLD's.

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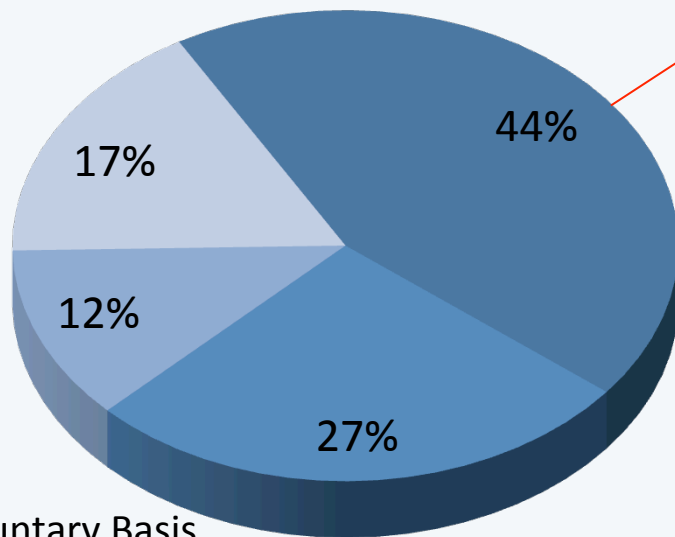**METHOD ccTLDs USE TO FINANCIALLY SUPPORT ICANN ACTIVITIES**

44%

17%

12%

27%
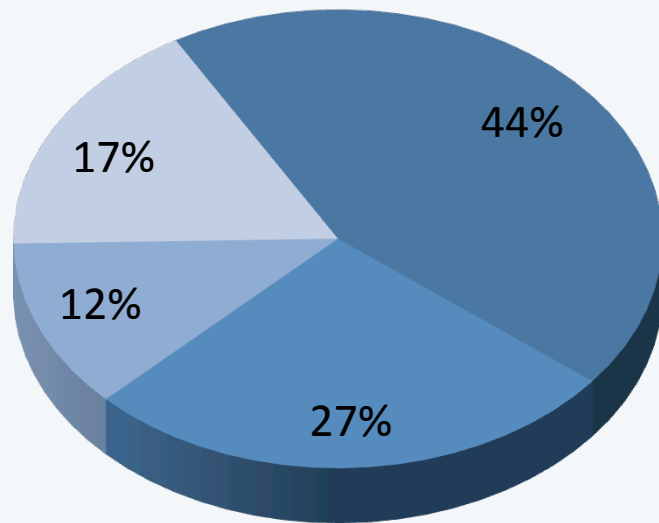
■ Voluntary Basis

■ Formal Agreement

■ Both Formal and Agreement

■ Do Not Provide Financial Support

- The dominant proportion of ccTLDs indicate financial support of ICANN activities on a voluntary basis.

- Note that close to two in 10 ccTLDs indicate providing no financial support to ICANN activities
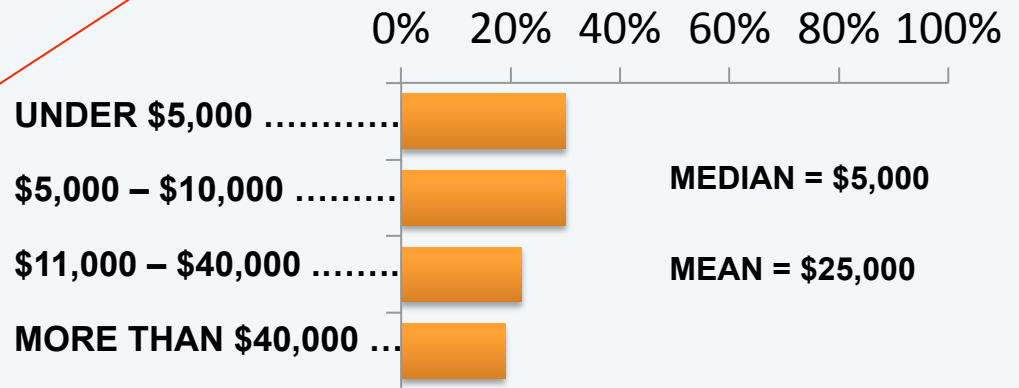
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METHOD ccTLD's USE TO FINANCIALLY SUPPORT ICANN ACTIVITIES: VOLUNTARY BASIS.

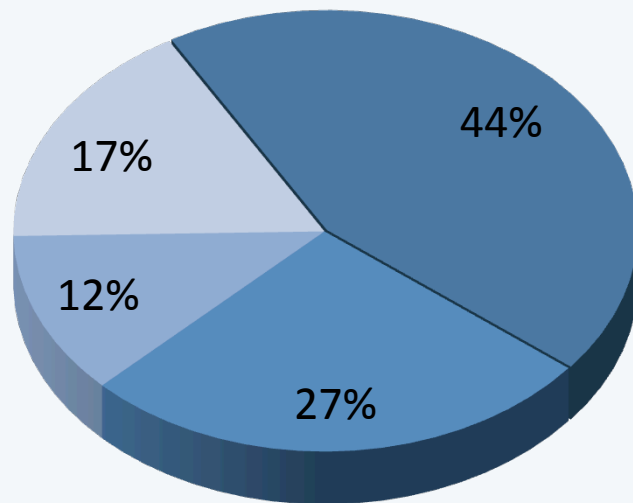**FINANCIAL SUPPORT CONTRIBUTED VOLUNTARILY IN 2010 ($US)**

- 44%
- 27%
- 12%
- 17%

- Voluntary Basis
- Formal Agreement
- Both Formal and Agreement
- Do Not Provide Financial Support

0% 20% 40% 60% 80% 100%

UNDER $5,000 ....

$5,000 – $10,000 ....

$11,000 – $40,000 ....

MORE THAN $40,000 ...

MEDIAN = $5,000

MEAN = $25,000

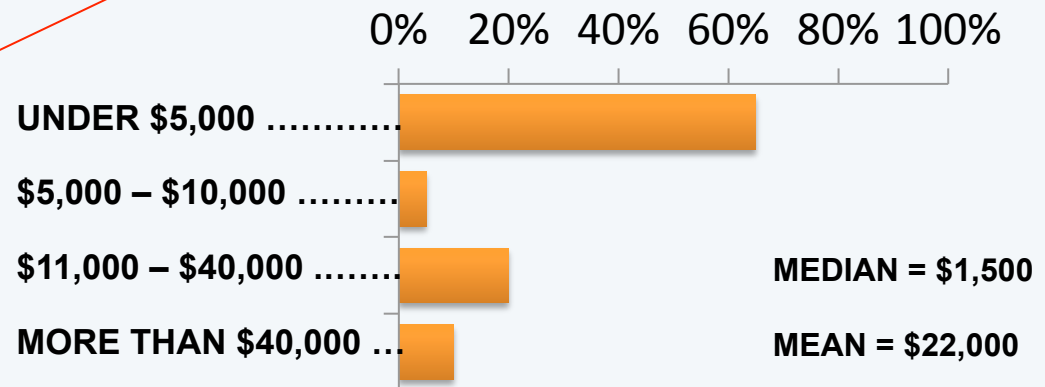● The size of voluntary contributions increases dramatically with increased number of domain names registered.

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METHOD ccTLD's USE TO FINANCIALLY SUPPORT ICANN ACTIVITIES: FORMAL AGREEMENT.

FINANCIAL SUPPORT CONTRIBUTED BY FORMAL AGREEMENT IN 2010 ($US)

- 44%
- 17%
- 12%
- 27%

- ■ Voluntary Basis
- ■ Formal Agreement
- ■ Both Formal and Agreement
- ■ Do Not Provide Financial Support

	0%	20%	40%	60%	80%	100%
UNDER $5,000						
$5,000 – $10,000						
$11,000 – $40,000						
MORE THAN $40,000 ...						

MEDIAN = $1,500

MEAN = $22,000

● ccTLDs that have hosted ICANN meetings in the past also indicate a significantly higher average level of financial support by formal agreement, at $60,000.

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INCIDENCE OF ccTLDs FUNDING CAPACITY-BUILDING ACTIVITIES.
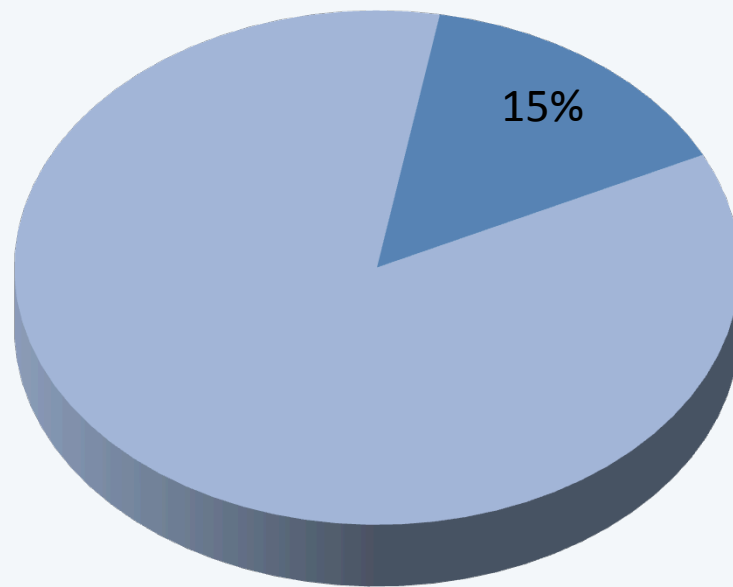
15%

- Among total respondents, only a minority indicate that their ccTLD provides funding in support of capacity-building activities related to ICANN.
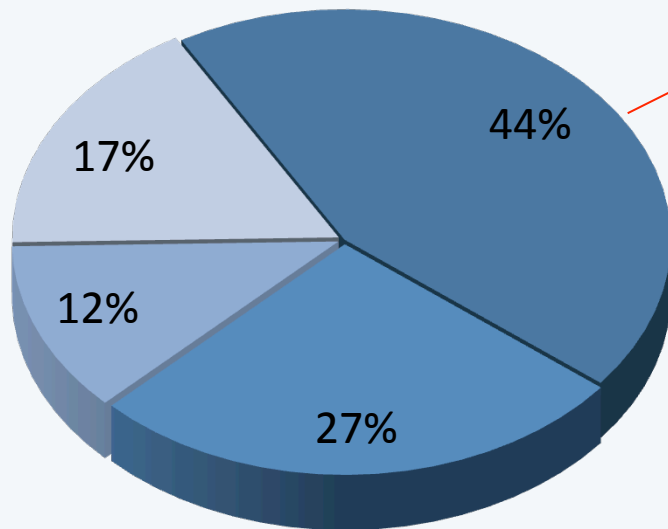
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Finding #3:

The ccTLD financial contributions disclosed by ICANN are materially less than the actual financial and non-financial contributions made by the ccTLD community.
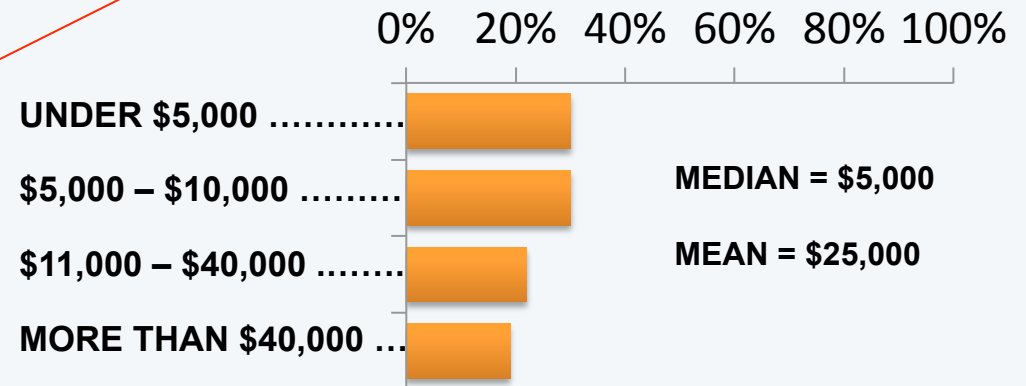
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METHOD ccTLDs USE TO FINANCIALLY SUPPORT ICANN ACTIVITIES: VOLUNTARY.

FINANCIAL SUPPORT CONTRIBUTED VOLUNTARILY IN 2010 ($US)

44%

17%

12%

27%

UNDER $5,000 ....

$5,000 – $10,000 ....

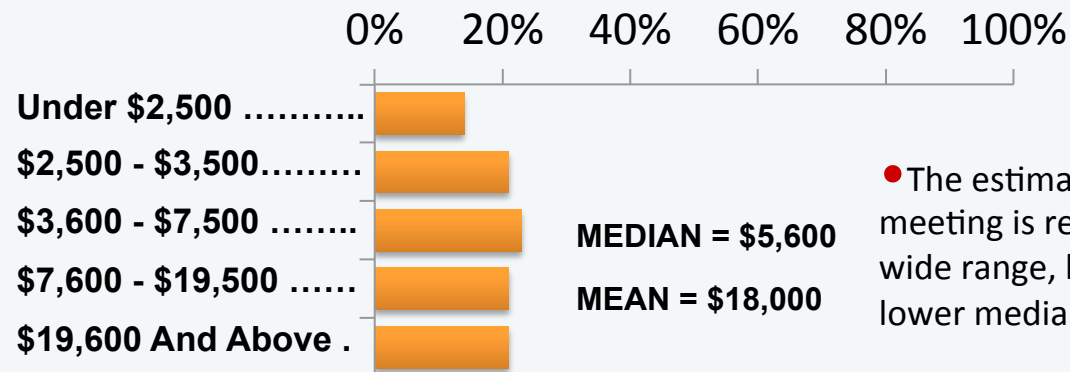$11,000 – $40,000 ....

MORE THAN $40,000 ...

MEDIAN = $5,000

MEAN = $25,000

- The size of voluntary contributions increases dramatically with increased number of domain names registered.

■ Voluntary Basis
■ Formal Agreement
■ Both Formal and Agreement
■ Do Not Provide Financial Support

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ESTIMATED AVERAGE COST TO PARTICIPATE IN ICANN MEETINGS

Chart: Estimated average cost to participate in ICANN meetings
- Under $2,500 ....
- $2,500 - $3,500.........
- $3,600 - $7,500 ....
- $7,600 - $19,500 ......
- $19,600 And Above .

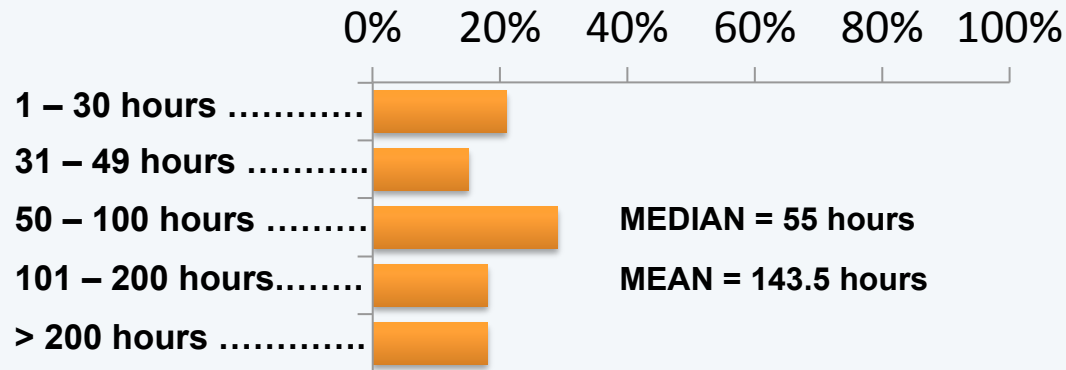Axis: 0% 20% 40% 60% 80% 100%

MEDIAN = $5,600

MEAN = $18,000

• The estimated average cost to attend an ICANN meeting is reported as around $18,000. This covers a wide range, however, as evidenced by the significantly lower median cost number.

• Cost of attendance rises sharply based upon the increasing size of the domain-names base of the ccTLD. This probably reflects the number of individuals attending the meetings increasing with the size of the ccTLD.
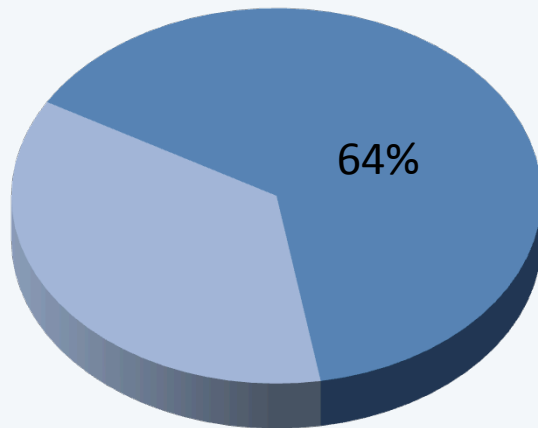
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**NUMBER OF PERSON HOURS SPENT ANNUALLY
ON ccNSO ACTIVITIES**

0% 20% 40% 60% 80% 100%

1 – 30 hours …………

31 – 49 hours ………..

50 – 100 hours ……… **MEDIAN = 55 hours**

101 – 200 hours…….. **MEAN = 143.5 hours**

> 200 hours …………..

● Among ccTLDs who participate in ccNSO activities, an average of around 143 person hours per year are devoted to this activity.

● ccTLDs who have hosted ICANN meetings and those who provide agreement-based financial support also provide significantly higher than average contributions of person hours.

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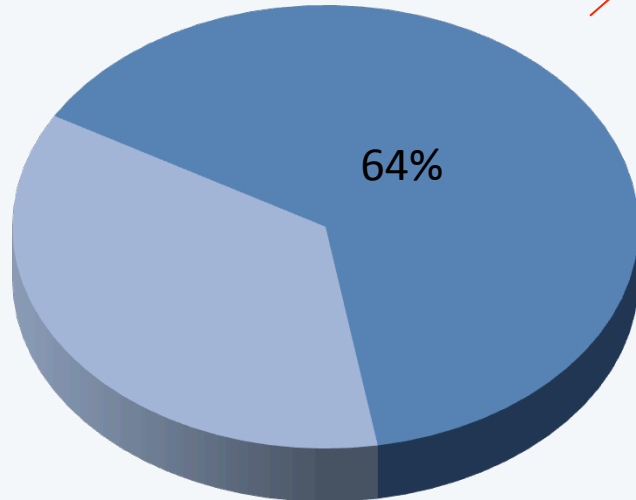# ccNSO Finance Working Group

**INCIDENCE OF ccTLDs REVIEWING ICANN WORK AND PROVIDING COMMENT ON VARIOUS ISSUES.**

64%

- Close to two-thirds of total respondents indicate that they provide comment on various issues during public-comment periods.

- Incidence of participating in this activity increases with the domain-name size of ccTLDs and is significantly highest (85%) among those ccTLDs who have previously hosted an ICANN meeting.

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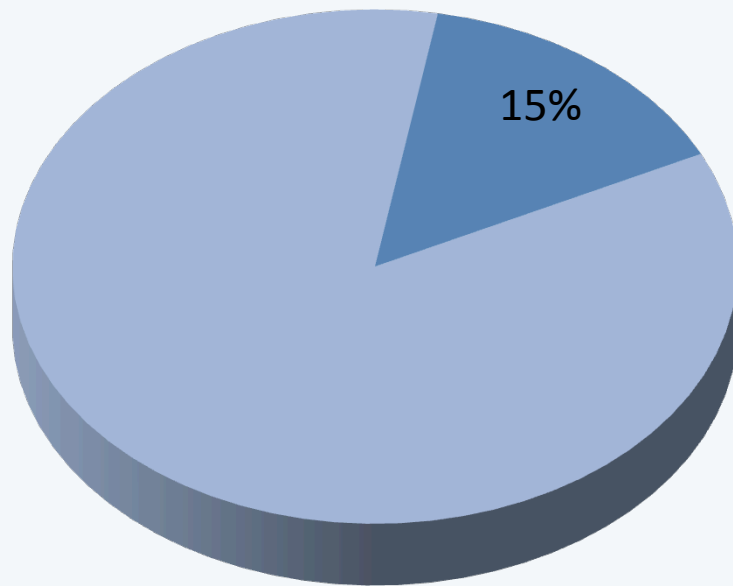**INCIDENCE OF ccTLDs REVIEWING ICANN WORK AND PROVIDING COMMENT ON VARIOUS ISSUES, BASED ON NUMBER OF ISSUES.**

NUMBER OF ISSUES COMMENTS ARE PROVIDED ON IN AN AVERAGE YEAR
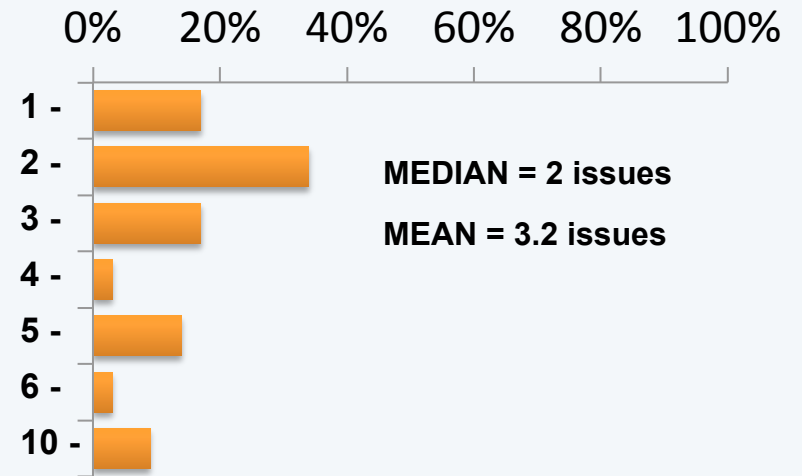
MEDIAN = 2 issues

MEAN = 3.2 issues
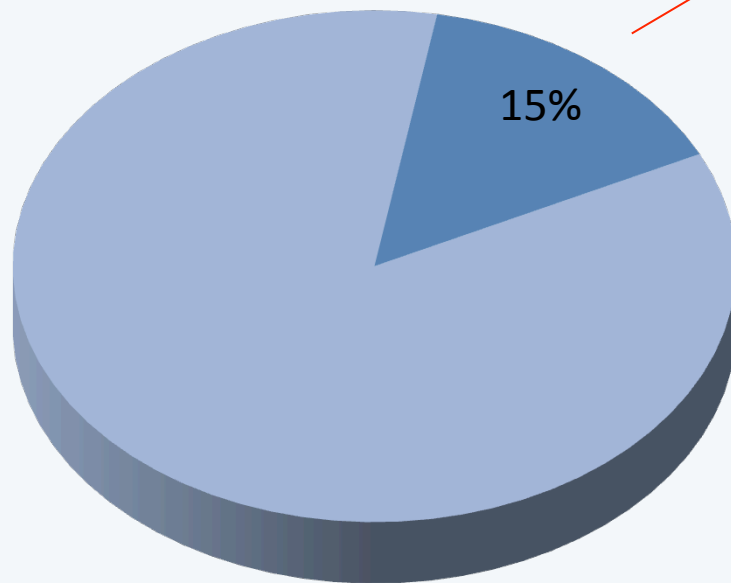
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**INCIDENCE OF FUNDING CAPACITY-
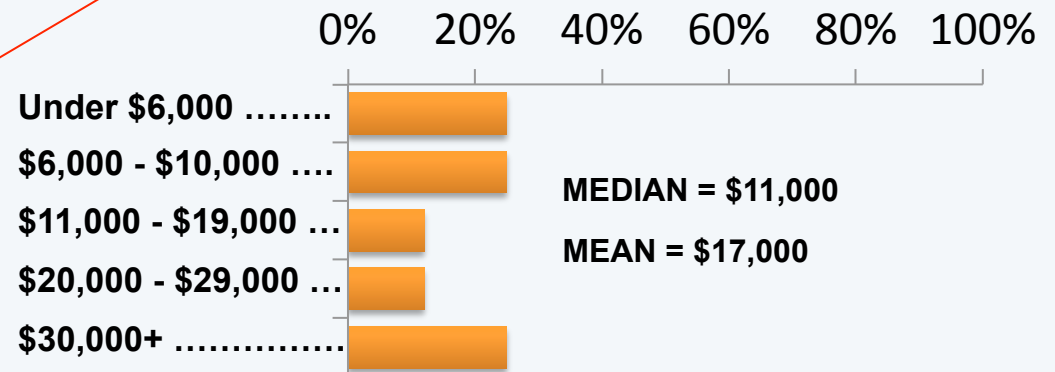BUILDING ACTIVITIES.**

15%

- Among total respondents, only a minority indicate that their ccTLD provides funding in support of capacity-building activities related to ICANN.

- Incidence is extremely low (only 4%) among ccTLDs with fewer than 100,000 domain names.

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INCIDENCE OF FUNDING CAPACITY-BUILDING ACTIVITIES .

AMOUNT OF ANNUAL FUNDING IN AN AVERAGE YEAR

15%

| | 0% | 20% | 40% | 60% | 80% | 100% |

Under $6,000 ……...

$6,000 - $10,000 ….

MEDIAN = $11,000

$11,000 - $19,000 …

MEAN = $17,000

$20,000 - $29,000 …

$30,000+ …………...

● Among the minority of ccTLDs who fund capacity-building activities, the average level of investment in this activity is around $17,000 annually. This level ranges between $11,000 among those with fewer than 100,000 domain-name registrations as compared to almost double that amount among those with more than a million domain names.

● "By Agreement" supporters of ICANN activities invest more than double the amount ($23,000) in capacity building than do "Voluntary" financial-supporters of ICANN ($11,000)

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INCIDENCE OF SPONSORING MEALS AND
EVENTS AT ICANN MEETINGS

24%
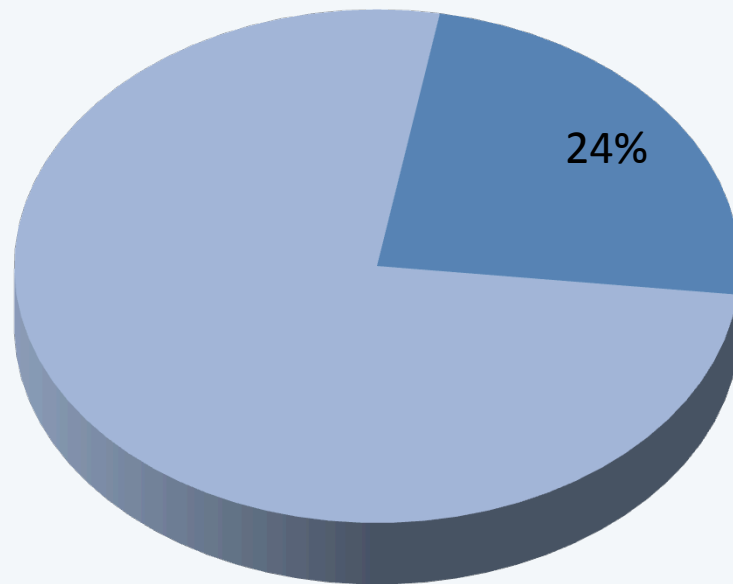
- Among the total sample of ccTLDs, one in four sponsor meals and events at ICANN meetings.

- Sponsoring meals and events among ccTLDs with fewer than 100,000 domain names is close to zero, while 67% of those with more than 1,000,000 registrants indicate participation in this type of sponsoring activity.

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Conclusions:

1. The ccTLDs that use the least amount of ICANN services make the largest financial contributions.

2. The financial contribution of ccTLD is independent of a formal arrangement between ICANN and ccTLD.

   Or in statistical terms: There is no correlation between financial contribution of a ccTLD and formal arrangement between ICANN and ccTLD's.

3. The ccTLD financial contributions disclosed by ICANN are materially less than the actual financial and non-financial contributions made by the ccTLD community.

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Summary of findings:

ccTLDs not only make direct contributions to ICANN, but they also contribute to the ICANN model by hosting meetings, sponsoring meals and events, capacity building, contributing to ICANN issues, and ccNSO activities.

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Questions? Comments?

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