



ICANN Budget Process

Fiscal Year 2004-05

prepared for the ICANN Meeting

Kuala Lumpur, Malaysia

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SIGNIFICANT ASPECTS OF THE BUDGET

- Budget Development Process
- ICANN Goals and Objectives
- Collaboration
- Proposed Revenue Structure
- Long Term Planning

BUDGET DEVELOPMENT PROCESS

- Creation of departmental responsibilities / accountabilities
- Match goals and objectives to resource requirements
- Management review and reduction of numbers
- Consultation with the community leading to:
 - Some reductions
 - Shifting priorities
 - Community in-kind contributions

ICANN GOALS & OBJECTIVES

- Provide services expected by constituency groups
- Fulfill the requirements of the MoU with the U.S. Dept. of Commerce in order to become independent
 - 24 specific objectives
 - 15 with firm deadlines
- Serve a broader DNS environment
 - Increased number of market participants
 - Anticipation of new registries (sTLD, gTLD, RIR)
 - Innovative new services
 - Formation of the ccNSO
- Committed to remaining within ICANN's mission

OBJECTIVES THAT PROVIDE BENEFIT

- Effective contractual compliance
- Facilitate introduction of innovation
 - Policy development support
- Translation & Communication
- Operational improvements - automation:
 - IANA
 - Accreditation
- Contingency Planning
- Introduction of IPv6
- Data escrow
- Designation of new TLDs
- Improve Whois accuracy
- Beat back evil litigation
- Operational improvements - outsourcing
- Corporate governance
- Outreach in targeted areas
- Support community IDN initiatives
- Dispute resolution mechanisms
- Pursue agreements
 - ccTLDs
 - RIRs

COLLABORATION

During all stages of the budgeting process ICANN staff collaborated with a cross-section of the community in order to build a budget that represented the desires of a broad cross-section of the community.

Both the proposed revenue model and spending plan described by the budget reflects this collaboration. Significant changes were made to the original plan.

Collaboration includes:

- ICANN Board Finance Committee
- Budget Advisory Group
- gTLD Registrars
- ccNSO
- gTLD Registries
- Business Constituency

REVENUE STRUCTURE

- gTLD Registrar fees (developing in coordination with gTLD registrars)
 - Transaction based
 - Proportional to registrar revenues
 - Opportunity to pass fee through to registrants
 - Comprise bulk of the ICANN budget
- gTLD Registry fees
- ccTLD contributions
- RIR contributions

DEVELOPING NEW SOURCES OF REVENUE

In order to provide secure, stable sources of funding and spread risk, ICANN commits to expanding existing and developing new sources of revenue:

- New & expiring TLD registries
- ccNSO determination of ccTLD contributions
- Registry / registrar offerings
- Business beneficiaries supporting the ICANN process

THE LONGER TERM

This budget is part of a multi-year plan to:

- ensure ICANN will meet its long-term goals, and
- provide notice of future fees to constituency groups.

For example, this budget:

- sets out the resources required to meet the goals in the three-year MoU with the US DoC, and
- proposes a constant gTLD registrar fee model to apply for the next three years.