

Finance Committee Report

Kuala Lumpur, 22 July 2004

Finance Committee Members

Ivan Campos (Chair)

Tricia Drakes

Hagen Hultzsch

Tom Niles

Mike Palage

After Rome

08 April teleconference

16 April teleconference

28 May teleconference

22 June teleconference

18 July meeting

20 July meeting with BAG

21 July meeting

Issues discussed

- **current budget execution, follow-up**
- **proposed budget, updates on staff negotiations with the various constituencies**

Here and now

Over an extended period, through initial telephone conferences as well as in personal meetings, the Finance Committee carefully evaluated ICANN's tasks and the resulting resource needs, as reflected in the corresponding budget numbers. Our consistent objective was the development of a budget that permits the achievement of ICANN's goals at the lowest possible funding level. We believe that the proposed budget satisfies those objectives.

Here and now

The Finance Committee voted to recommend to the Board the adoption of the Proposed Budget, and to keep assisting the CEO and staff in the continuing dialogue with stakeholders in order to reach closure on the outstanding details of the revenue model.

Here and now

In evaluating the draft budget's proposed expenditures and revenues, the Committee recognized that the increasing demands placed on ICANN by its various constituencies, as well as the work required to complete the tasks in the current, and final, MOU with the USDOC necessitated the substantial increases envisaged. In this work, the Committee also had to take into account the disfunctional aspects of ICANN's current funding structure, which it hopes can be overcome, and the unfortunate necessity ICANN faces to defend the integrity and stability of the DNS in various legal actions.