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.