



Framework for the FY12 Operating Plan and Budget

*Public Meeting Presentation and
Discussion*

in San Francisco ■ 13-18 March 2011



**SILICON
VALLEY
Meeting**

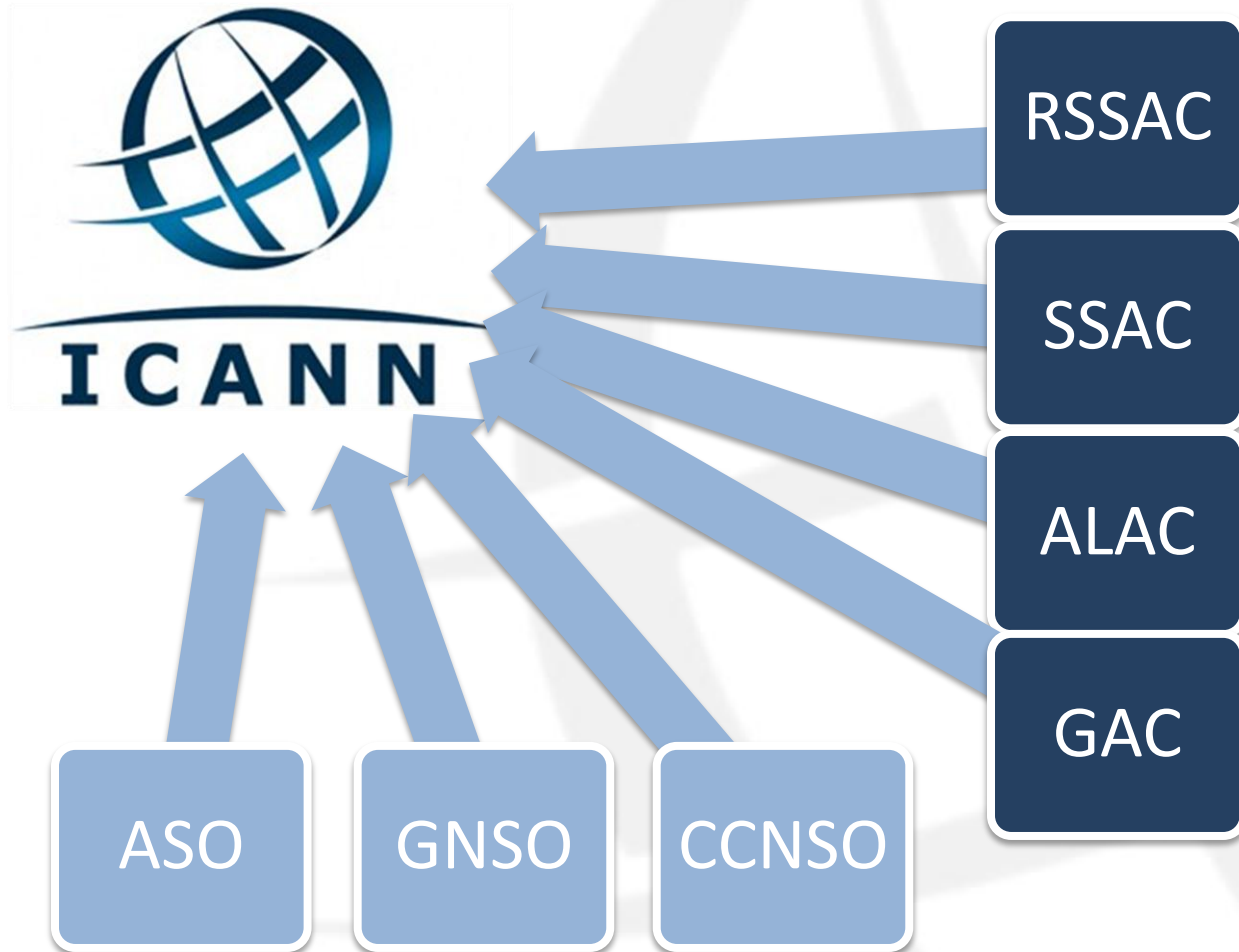
Agenda

- Enhanced Approach to the Budget Framework
 - Community Budget Input
 - Revised Budget View
- FY12 Budget Framework
 - Revenue
 - Expenses
 - New gTLD Launch Scenarios
- Next Steps
 - How to engage
 - Q & A

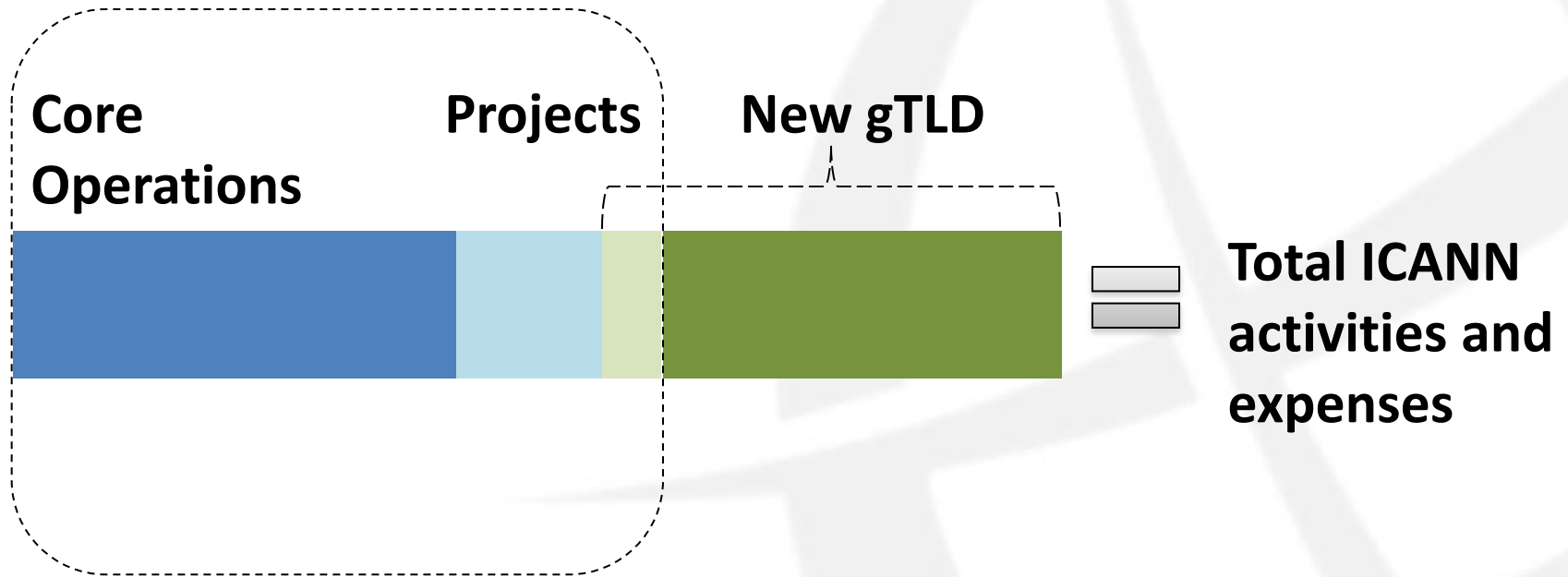
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Enhanced Approach to Budget Process



Revised Budget View



FY12 Budget Framework

* These New gTLD costs will be incurred in both scenarios

(in US dollars)	FY12 FRAMEWORK w/o New gTLD Launch	FY12 FRAMEWORK w/ New gTLD Launch
Traditional Revenue	68,525,000	68,525,000
New gTLD Application Fees		92,500,000
Revenue	\$ 68,525,000	\$ 161,025,000
Core Operating Expenses	51,911,000	51,911,000
Projects Expenses	11,111,000	11,111,000
New gTLD projects *	6,790,000	6,790,000
New gTLD Processing Costs	-	35,970,000
Expenses	\$ 69,812,000	\$ 105,782,000
New gTLD Application Refund	-	8,260,000
Historical Development Refund	-	11,480,000
New gTLD Contingency	-	30,000,000
Contributions to/(from) Reserve	\$ (1,287,000)	\$ 5,503,000
Investment Income	\$ 1,000,000	\$ 1,000,000
Non-Cash Expenses	\$ 2,600,000	\$ 4,000,000
Change in Net assets	\$ (2,887,000)	\$ 2,503,000

New gTLD
Application
Processing
Launch



FY12 Revenue Framework

(in US dollars)	FY12 FRAMEWORK	FY11 FORECAST	FY11 BUDGET	FY12 FRAMEWORK change from FY11 BUDGET	
Registry	\$ 34,178,000	\$ 32,596,822	\$ 32,647,000	\$ 1,531,000	4.7%
Registrar	30,244,000	29,897,244	29,159,000	1,085,000	3.7%
RIR	823,000	823,000	823,000	0	0.0%
ccTLD	1,600,000	835,113	1,600,000	0	0.0%
IDN ccTLD	780,000	637,000	780,000	0	0.0%
Meeting Sponsorships	900,000	1,067,973	500,000	400,000	80.0%
Revenue	\$ 68,525,000	\$ 65,857,152	\$ 65,509,000	\$ 3,016,000	5%
New gTLD Application Fees	\$ 92,500,000	\$ 0	\$ 0	\$ 92,500,000	n/a



FY12 Operating Expense Framework

(in US dollars)	FY12 FRAMEWORK w/o New gTLD Launch	FY11 FORECAST	FY11 BUDGET	FY12 FRAMEWORK change from FY11 BUDGET	
Personnel	\$ 28,544,000	\$ 25,868,000	\$ 26,703,000	\$ 1,841,000	6.9%
Travel & Meetings	15,101,000	11,875,000	11,086,000	4,015,000	36.2%
Professional Services	17,212,000	16,302,000	14,928,000	2,284,000	15.3%
Administration	7,455,000	6,664,000	6,571,000	884,000	13.5%
Contingency	1,500,000	0	1,500,000	0	0.0%
Operating Expenses	\$ 69,812,000	\$ 60,709,000	\$ 60,788,000	\$ 9,024,000	15%



FY12 Operating Expense Framework (cont'd)

(in US dollars)	FY12 Core Ops	FY12 Projects	FY12 New gTLD Project	FY12 FRAMEWORK w/o New gTLD Launch
Personnel	\$ 23,040,000	\$ 0	\$ 5,504,000	\$ 28,544,000
Travel & Meetings	11,448,000	3,610,000	43,000	15,101,000
Professional Services	9,151,000	6,818,000	1,243,000	17,212,000
Administration	6,772,000	683,000	0	7,455,000
Contingency	1,500,000	0	0	1,500,000
Operating Expenses	\$ 51,911,000	\$ 11,111,000	\$ 6,790,000	\$ 69,812,000

■ Core Operations
\$51.9

■ Projects
\$11.1

■ New gTLD Project
\$6.8



FY12 Operating Expense Framework (cont'd)

Core Operations

- IANA Function
- IDN Fast Track
- Security, Stability and Resiliency
- Contractual Compliance
- ICANN Public Meetings
- AC, SO and SG Support
- Policy Development
- Community Travel support
- Ombudsman
- Board Support
- Nom Com
- DNS Operations
- Facilities and Staff Support



FY12 Operating Expense Framework (cont'd)

Projects

- IANA Business Excellence
- DNSSEC Deployment and Training
- WHOIS Studies
- Affirmation of Commitments reviews and Recommendations Implementation
- IDN Variant
- New gTLD project
- SLA Monitoring System Development
- Global DNS SSR Symposium
- Security Program Certifications
- DNS Measurement & Metrics



FY12 Framework with New gTLD Launch

For purposes of the FY12 budget development and to prepare for the largest possible spend, the following assumptions were made:

- Board approves launch of the Communications plan during the Silicon Valley meeting
- New gTLD program's first applications can be accepted 4 months after launch of Communications plan
- Assume 500 applications @ \$185,000 per application fee

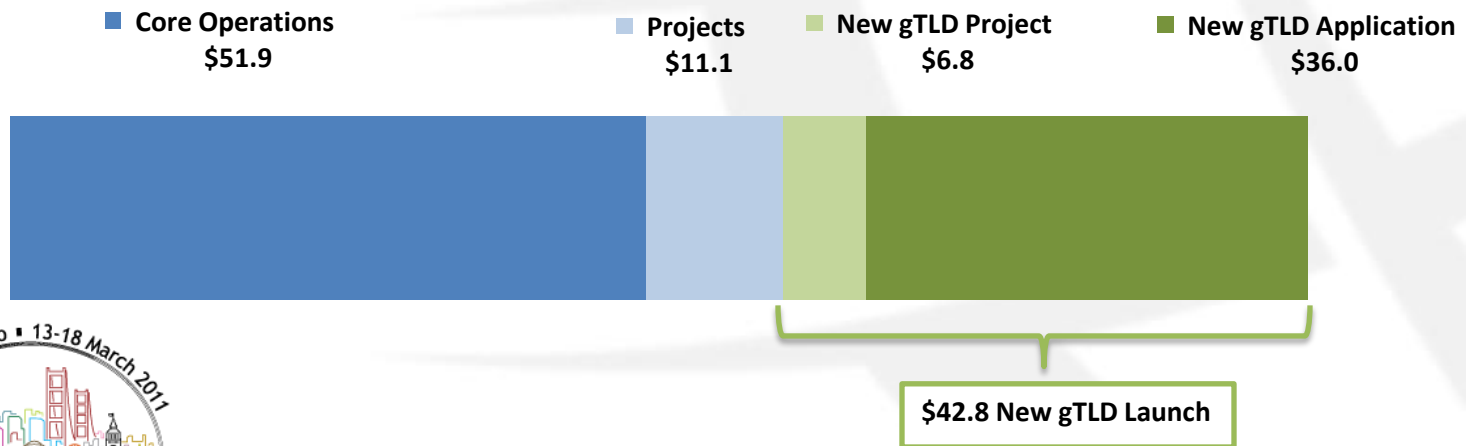
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New gTLD Application Processing Launch



FY12 Framework with New gTLD Launch(cont'd)

(in US dollars)	FY12 New gTLD Application	FY12 New gTLD Project	FY12 Core Ops	FY12 Projects	FY12 FRAMEWORK w/ New gTLD Launch
Personnel	\$ 2,278,000	\$ 5,504,000	\$ 23,040,000	\$ 0	\$ 30,822,000
Travel & Meetings	80,000	43,000	11,448,000	3,610,000	15,181,000
Professional Services	33,003,000	1,243,000	9,151,000	6,818,000	50,215,000
Administration	609,000	0	6,772,000	683,000	8,064,000
Contingency	0	0	1,500,000	0	1,500,000
Operating Expenses	\$ 35,970,000	\$ 6,790,000	\$ 51,911,000	\$ 11,111,000	\$ 105,782,000



FY12 Framework with New gTLD Launch(cont'd)

New gTLD Application

- Applicant Registration
- Administrative Completeness Check
- Initial Evaluation
- Extended Evaluation
- Dispute Resolution
- Community Priority
- Auction
- Final Approval and Delegation
- Applicant Support



How To Engage?

- Post a comment on the FY12 Operating Plan and Budget via the [ICANN website public comment page](#)
- Post a comment on the SO/AC/SG additional budget requests for prioritization via the [ICANN website public comment page](#)

In addition, the Finance team will formally seek feedback from the community by requesting conference calls with ICANN constituency groups, supporting organizations, and advisory committees throughout the nearly five-month process.



Next steps

- Community consultations
- Continued detailed ICANN budget forecasting by staff
- Public Comment on the Framework closes 4 April; summary provided with follow up activities
- More detailed analysis of new gTLD expenses and revenues
- Post updated Operating Plan and Proposed budget in May
- Final consultations and consideration of budget at June meeting



Questions & Answers

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Thank You

