

Dear Community Leaders,

Thank you for your participation in the draft FY13 Operating Plan and Budget community calls held over the past week, as well as the questions and feedback on the document and process.

Before providing a summary of these calls, ICANN Finance would like to point out an issue regarding the FY13 SO and AC Additional Budget requests. There was an oversight on the part of our Finance team in regard to an SO/AC additional budget request that has now been corrected on the ICANN website, and will be corrected in the final proposed FY13 Operating Plan and Budget. ALAC submitted the ICANN Academy Budget Introduction and Proposal on January 27 (within the FY13 budget request deadline. The ALAC filed it separately from other At-Large Budget requests since its scope goes further than the At-Large community and is designed to benefit all community organizations at ICANN. This request was incorrectly overlooked and not documented with the other 32 requests received from the community. You will find the corrected SO/AC Budget Request matrix on our website at <http://www.icann.org/en/about/planning/ops-budget/community-requests-07mar12-en.htm>. Public comments on this item will be accepted through the end of the Public Comment reply period, which is as posted 15 June 2012. If you have any questions regarding this matter, please do not hesitate to contact me at xavier.calvez@icann.org

Regarding the community calls, below are answers to those questions that were not able to be responded to during the sessions, as well as a list of individuals who attended one of the sessions. In addition please note that the FY13 draft Operating Plan and Budget will reflect any changes and updates that have occurred in the time between the posting of the draft plan and Prague, in the form of the proposed final FY13 Operating Plan and Budget presented to the Board in Prague. This includes updates on the New gTLD applications, details on noted Projects, and the SO and AC Budget requests if applicable.

ACTION ITEMS:

1. Xavier to contact the URS project owner for more information.

Response: Uniform Rapid Suspension: There is a budget line item identified as "Uniform Rapid Suspension". Implementation work conducted on the URS to date indicates that the implementation will not attain the cost target of \$300-\$500 in URS fee per case. This is based on discussions with WIPO staff, direct communication with the IPC, and examples understood from the ICM registry and Nominet. Because the fee target is a primary goal of the URS, additional work and study should be undertaken to determine if amendments to the program might attain the fee goal and retain the safeguards and other features of the program. This study must be undertaken by a community group. New work will commence with a working session in the Prague ICANN meeting.

While the scope of the effort is not yet defined, it was necessary to reserve resources for the work in the ICANN's FY13 budget. The line item in the budget is the placeholder for those resources while the best way to accomplish the work can be designed. Again, the work will be done through a bottom-up, community discussion similar to the work done to create and review the URS in the

first instance. The timing of the budgeting process required that we create the line item before planning for this work could be drafted and worked through the community.

The budget called for the work to be complete by June 30, 2012. This date was somewhat arbitrarily chosen by the writer to coincide with the end of the fiscal year. It is fully intended the URS be implemented in time for the introduction of new gTLDs. The date in the budget for completion of the program should have reflected this goal. The date will be corrected to reflect this intent going forward.

2. Provide comment on disparity of registry fees structure across different registries to Registry department.

Response: When registry agreements were individually negotiated, the fee structures were also individually negotiated in a way that reflected the business model of the individual registry and provide for a fair fee based on that business model. So there are differences but those differences were individually negotiated taking into account existing registry agreements in order to arrive at an equitable structure. As some of these existing agreements are renewed, their fee structures have been amended to bring them inline with similarly situated registries.

With the introduction of new gTLDs, agreements were made uniform because: (1) the GNSO Policy called for pre-published agreements, and (2) it is not practicable to negotiate that many fees structures. Therefore, a uniform fee structure was introduced, one agreed upon after community discussion.

3. Finance team to update new gTLD budget based on actual number of applications within the final proposed FY13 Operating Plan and Budget in June.
4. ICANN Finance will organize a communication on new gTLD revenue and expense recognition methodology once a final draft is completed in June.
5. Regarding SO AC additional requests overall, Xavier to provide the Policy dept. contact to help follow up on activities after public comment {approval of budget} and specifically, how will the NCUC additional budget request for travel support and Toronto event be implemented, and how can we (Robin) follow up?

Response: After approval of requests within the adopted FY13 Budget, the Finance team will coordinate with ICANN staff to establish implementation of each request.

Attendees of the Community Calls:

Community:

Patrik Faltstrom

Steven Metalitz

Byron Holland

Robert Hogarth

Heidi Ullrich

Tijani Ben Jemma

Cheryl Langdon-Orr

Milton Mueller

Gareth Sherman

Chris Chaplow

Marilyn Cade

Roelof Meijer

Krista Papac

Oliver Crepin-Leblond

Paul Diaz

Robin Gross

Tony Holmes

Chuck Gomes

Stephane Van Gelder

ICANN Staff:

Aba Diakite

Janice Douma Lange

Maya Reynolds

Heidi Ullrich

Filiz Yilmaz

Robert Hoggarth

Bart Boswinkel

Silvia Vivanco

Xavier Calvez