



EN

AL-ALAC-ST-0613-02-00-EN

ORIGINAL: English

DATE: 21 June 2013

STATUS: Final

## AT-LARGE ADVISORY COMMITTEE

### ALAC Statement on the FY14 Draft Operating Plan and Budget

#### Introduction

Tijani Ben Jemaa, ALAC member from the African Regional At-Large Organization (AFRALO) and ALAC Executive Committee Rapporteur, composed an initial draft of this Statement after discussion of the topic within At-Large and on the Mailing Lists.

On 28 May 2013, this Statement was posted on the [At-Large FY14 Draft Operating Plan and Budget Workspace](#).

On 29 May 2013, Olivier Crépin-Leblond, Chair of the ALAC, requested ICANN Policy Staff in support of the ALAC to send a Call for Comments on the draft Statement to all At-Large members via the [ALAC Announce Mailing List](#).

On 11 June 2013, a version incorporating the comments received was posted and the Chair requested that Staff open a five-day ALAC ratification on the Statement.

On 21 June 2013, Staff confirmed that the online vote resulted in the ALAC endorsing the Statement with 14 votes in favor, 0 votes against, and 0 abstentions. You may review the result independently under: <https://www.bigpulse.com/pollresults?code=3210sztEdVrJJky25Wm2NEdj>

The Chair then requested that the Statement be transmitted to the Public Comment process, copying the ICANN Staff member responsible for this Public Comment topic.

#### Summary

1. The ALAC very much appreciates the effort made by the ICANN Finance department to improve the budget development process, consequently allowing more interaction with the community and more time for the development process. Unfortunately, for FY14, the improved process wasn't followed due to changes in ICANN management and the subsequent new visions and new working methods.
2. The New gTLD applicant support contribution (\$138,000) is an expense for ICANN, not an income. The ALAC would appreciate an explanation as to why it is put on Slide 42 in the application fees to be received rather than in the expenses.
3. Regarding the New gTLD program, Slide 42 shows that the staff allocation cost doubled in the full program current estimation compared to the prior estimation of June 2012. The ALAC would like to know the reason for this huge increase.
4. The ALAC is concerned by the very low allocation for the ATRT2 professional service set in the spreadsheet to only \$37,800. This amount is insignificant compared to ATRT1 spent professional services.

The original version of this document is the English text available at <http://www.atlarge.icann.org/correspondence>. Where a difference of interpretation exists or is perceived to exist between a non-English edition of this document and the original text, the original shall prevail.

## **ALAC Statement on the FY14 Draft Operating Plan and Budget**

The ALAC very much appreciates the effort made by the ICANN Finance department to improve the budget development process, consequently allowing more interaction with the community and more time for the development process. Unfortunately, for FY14, the improved process wasn't followed due to changes in ICANN management and the subsequent new visions and new working methods. It was this transition between the old and the new vision that made the FY14 budget development process less satisfactory, particularly as the allotted time was not sufficient to prepare a budget framework that would permit another opportunity for community interaction.

Comparing the FY14 budget and the FY13 forecast, the ALAC notices that the ICANN operating activities have increased by \$16.251 million while revenues have only increased by \$11.739 million. This precedent may constitute a bad element for the future if it continues on the same trend.

The impact of internationalization on the FY14 Budget expenses (personnel, travel, professional services, and administration) increased by \$7.544 million as detailed in Slide 22, while the whole cost of internationalization (FY13 + FY14) is \$11.899 million as per Slide 28. The ALAC thinks that the internationalization of ICANN deserves this financial effort since it is one of the most important changes that will make ICANN more global and less contested.

The New gTLD applicant support contribution (\$138,000) is an expense for ICANN, not an income. The ALAC would appreciate an explanation as to why it is put on Slide 42 in the application fees to be received rather than in the expenses.

Regarding the New gTLD program, Slide 42 shows that the staff allocation cost doubled in the full program current estimation compared to the prior estimation of June 2012. The ALAC would like to know the reason for this huge increase.

On the other hand, the ALAC is concerned by the very low allocation for the ATRT2 professional service set in the spreadsheet to only \$37,800. This amount is insignificant compared to ATRT1 spent professional services.

The ALAC reiterates its regret that the community didn't have the opportunity to discuss the draft of the operating program and budget before this last public comment period, and understand that this was because of the transitional nature of this fiscal year. We hope that this situation will be avoided in the future.