AT-LARGE ADVISORY COMMITTEE
ALAC Statement on the Draft FY15 Operating Plan and Budget

Introduction

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

On 04 July 2014, this Statement was posted on the At-Large Draft FY15 Operating Plan and Budget Workspace.

On that same day, Olivier Crépin-Leblond, Chair of the ALAC, requested ICANN Policy Staff in support of the ALAC to send a Call for Comments on the Recommendations to all At-Large members via the ALAC-Announce Mailing List.

On 11 July 2014, a version incorporating the comments received was posted on the aforementioned workspace and the Chair requested that Staff open an ALAC ratification vote on the proposed Statement on 11 July 2014 and close on 18 July 2014.

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, with a note that the Statement was pending ALAC ratification.

On 19 July 2014, Staff confirmed that the online vote resulted in the ALAC endorsing the Statement with 15 votes in favor, 0 votes against, and 0 abstentions. You may review the result independently under: https://www.bigpulse.com/pollresults?code=4113eVs8iAdkQ6sAAf4QKc9L.

Summary

1. The ALAC finds the draft operating plan and budget well designed and presented, but the ALAC wishes to express the following observations and questions:

   1.1.2 How was the 33 million registrations figure in FY15 calculated?

   1.4 Please clarify how can the "impact of FY14 capital investments (Salesforce.com, Digital Platform, website, etc.)" be "depreciation expenses?"

   1.6 Please clarify how can the $3.7M increase in "GSE/Gov.Eng./Public Resp" represent 117.2%? Furthermore, the YOY operating expenses growth appears to be taking neither the USG transition (B) nor the other priority areas (C) into consideration.

   1.7 After more than a full year of experience, predicting the number of new registry for FY15 is a simple exercise. Thus, the risk of a slower ramp up of registries could not be high.

   3.1 If increase in staff costs for the program is not duplication, and those expenses were subtracted from the normal ICANN budget, it should be clearly mentioned.

   3.1 / 3.4. For FY13, there should not be any difference between the April 2014 and the June 2013 estimations since June 2013 is the end of FY13 with figures that are not estimations but actual values.

2. The ALAC hopes that the planning process for FY16 and the interaction with the community will be improved significantly so that the remarks of the community may impact the final plan and budget.

ALAC Statement on the Draft FY15 Operating Plan and Budget

The ALAC finds the Draft FY15 Operating Plan and Budget well designed and presented in a comprehensive way.

Nevertheless, the ALAC wishes to express the following observations and questions:

1.1.2 Revenue Assumptions

- New Registries assumption: The 33 million registrations in FY15 seem optimistic; how was this figure calculated?

1.4 Statement of Activities

- "Depreciation expenses" in the Operating Expenses are explained as the "impact of FY14 capital investments (Salesforce.com, Digital Platform, website, etc.)". Please be so kind to clarify how these can be depreciation expenses?

1.6 Resource Utilization

- In the "support & revenue", the increase in "GSE/Gov.Eng./Public Resp" is $3.7M. Please be so kind to clarify how this can represent 117.2%?
- The YOY operating expenses growth appears to be taking neither the USG transition (B) nor the other priority areas (C) into consideration.

1.7 Risks and Opportunities to the FY15 Budget

- After more than a full year of experience, predicting the number of new registry for FY15 is a simple exercise. Thus, the risk of a slower ramp up of registries could not be high; however, if the number of registrations is absolutely unknown, it will lead to a higher risk.

3.1 New gTLD Financial Summary

- The increase of the expenses is explained inter alias by the additional ICANN staff allocation (+$11.6M for the whole program). However, ICANN staff costs appear to be also counted in the normal ICANN budget, under the new gTLD section. If it is not duplication, and those staff expenses were subtracted from the normal ICANN budget, it should be clearly mentioned.

3.1 New gTLD Financial Summary / 3.4. New gTLD Program – Operating Expenses Variance Analysis

- For FY13, there should not be any difference between the April 2014 and the June 2013 estimations since June 2013 is the end of FY13 with figures that are not estimation but actual values.

The ALAC hopes that the planning process will be improved for FY16, as ICANN now have a strategic plan. After this year's again shortened cycle, the interaction with the community should be significantly improved so that the remarks of the community may impact the final plan and budget.