



Association Française pour le Nommage Internet en Coopération
chargée de la gestion des noms de domaine en *.fr* et *.re*

FY12 budget framework

AFNIC is the registry for the Internet domain names *.fr* (France) and *.re* (Reunion Island).

AFNIC (French Network Information Center), is a not-for-profit organization. It was created jointly in December 1997 by [INRIA](#) (The French National Institute for Research in Computer Science and Control) and the French Government.

AFNIC is an open, multistakeholder, inclusive membership organisation gathering public and private Internet players: users (legal entities and individuals), domain name registrars (Internet services providers), international entities and representatives of government.

AFNIC is a founding member of CENTR, the European organisation of country-code top level domain managers and fully endorses the comment submitted by CENTR in this consultation.

Afnic welcomes the opportunity to comment on ICANN's FY12 budget framework. Afnic already participates, within the ccNSO, to the SOP Working group and fully endorses the comment that was submitted by the WG with regards to the strategic plan, as the FY12 budget framework.

As expressed in the SOP submission, we are generally concerned about the lack of clarity of the strategic and budget process this year. As a not for profit organization managing resources for the benefit of the public, ICANN should be exemplary in the way it plans and spends its budget. The FY12 budget framework does not meet these expectations in many aspects.

To start with, the format of the framework published for comments offers very little detail on how the figures were calculated. The level of details is also clearly insufficient to enable any serious analysis of the cost drivers, or establish a relationship with the strategic goals and priorities. It is therefore quite difficult to provide meaningful or constructive feedback.

Revenue framework:

The FY11 forecast for ccTLD contributions appears to be half of the FY11 budget, while the proposed FY12 budget is similar to the FY11 budget. We find this highly surprising. Either the FY11 forecast is inaccurate or the FY12 budget should be more conservative. We tend to believe the former is the best option, but this raises questions about the way these forecasts were estimated.

OPEX framework

The increase of travel & meeting expenses is striking. +36%, 4 million dollars should be somehow related to a strategic project, discussed with the community. We have not been able to find, neither in the documentation, nor through questions raised during the San Francisco meeting, any reasonable explanation of such increase. The list of projects does not seem to justify such a dramatic increase. In any case, such a raise of travel & meeting costs seems undesirable. The FY12 budget w/o new gTLDs shows a deficit of more than 2 million dollars, that could easily be avoided by reducing this line of expenses.

It is also striking that 25% of expenses are professional services. It is well known that ICANN often relies on external consultants, sometimes even to perform core functions. We question whether this high level of professional services can be appropriately managed by the organisation, and whether the choice of relying on professional services is consistently weighed against other options. Multiple examples show that ICANN may find therein significant cost reductions.

Finally, according to information provided during the San Francisco meeting about the number of staff employed by ICANN, conservative estimates would lead to personnel costs of 180 000 \$ per employee. ICANN would be well inspired to provide benchmarks or any relevant information to explain such high level of salary. To the international observer, this amount may indeed seem extremely high.

Contingency fund

We have not been able to find a detailed explanation about the calculations that lead ICANN to propose a 30 million dollars contingency fund for the new gTLD programme. Considering that this amounts to about half of the yearly budget, and that no information is available as to how ICANN will manage these funds, or how and when it will be released, we call for this money to be escrowed separately from the reserve fund, and donated to Internet related foundations two years at the latest after the launch of new gTLDs.

Community requests

We welcome the opportunity for SO and ACs to submit requests for new services. However, considering that the budget without new gTLDs already appears to be in deficit, we believe no additional requests should be granted unless an equivalent source of cost reduction is identified and approved for the FY12.

Such policy is necessary if ICANN wishes to demonstrate that it manages its budget, which is the fruit of its unique position as manager of global resources, in a responsible manner. The spiralling rise of ICANN's budget and the absence of meaningful and viable cost efficiency actions harm ICANN's reputation.

We hope that these comments will be helpful in order to build a FY12 proposed budget that meets the standards of transparency and accountability pursued by the organization.