



PUBLIC COMMENTS FROM THE NRO REGARDING ICANN'S PROPOSED BUDGET FOR 2004-2005

The NRO has made a detailed analysis of the Budget proposal and has expressed, through its representative on the Budget Advisory Group, several questions and comments, some of which have been attended to while others have not.

The NRO, and the RIRs as a whole before the NRO was constituted, has always manifested its intention to see more clearly ICANN's budget from different points of view, a very important one being the budget by department. For instance, the NRO has repeatedly stated a desire for better cost accounting of ICANN activities related specifically to the different ICANN constituencies represented by supporting organisations. Also, the NRO has clearly stated its interest in knowing IANA's budget. Neither request implies that the NRO is only willing to contribute economically to ASO-related activities or to the operation of IANA, but only that this information is important to us as critical stakeholders in ICANN's mission.

We understand that, as more details are included in the budget proposal, more discussions will be generated, but at the same time there will be more transparency. Also, it is a basic right of the constituencies that finance ICANN to know what ICANN does with its budget, both in general and in relation to each constituency specifically.

The NRO agrees that the role of ICANN must go beyond the mere technical coordination of the domain name system and Internet Number Resources. ICANN must participate in international debates in different forums and provide a discussion arena for different initiatives relative to its mission. In agreement with this vision, the NRO has been very supportive with ICANN's participation in processes such as the WSIS.

However, we have the perception that ICANN performs tasks that are not within its specific mission, such as operating a root server or funding the operation of other servers, or tasks that are already handled by other organizations such as the IETF, ISOC, MINC and others. It is only by making more detailed information public that it will be possible to generate a true debate on these issues.

The proposed budget warrants some specific comments on our behalf; for example, the amount allocated to the item "meetings and other travel," which is quite high and would seem to imply that it is necessary to review ICANN's travel and meetings policies. But the most worrying aspects are related to the process and the context. The bottom-up process of constructing the budget has not worked. The role of the Budget Advisory Group (BAG) has been minor, as there was little discussion within this group, and ICANN did not provide all the information it was requested.

The budget's increase in relation to last year's budget is very important, and would have justified a much more detailed and careful analysis and debate. The lack of this discussion leaves uncertainties in relation to the budgets for the years to come. It would be important to know what is the forecast for the evolution of ICANN's budget during the following years.

The NRO does not wish to obstruct ICANN's operation by opposing the proposed budget, but it is indispensable that ICANN assumes public commitments in relation to the future treatment of these matters. The NRO is not willing to support future budgets if more importance is not given to the BAG, and if the information that has been repeatedly requested in the past is not provided.

Finally, we wish to express that we have no position in relation to changing the income model in reference to the Registrars, but we recommend seeking a solution for this controversy that is widely supported and avoids risking the stability and balance within the ICANN environment.