

Report of the ccNSO Budget Working Group to the ccNSO Council

1. Introduction

1.1. The purpose of Budget Working Group (BWG) was to develop a model for ccTLD funding of a share of ICANN's budget.

1.2. The BWG is an informal initiative of the ccNSO council and not part of any formal ICANN or ccNSO policy development process. The ccTLD community should not view the BWG's recommendations as exhaustive or in any way limiting the breadth or scope of issues to be discussed by a ccTLD manager and ICANN.

1.3. The BWG has had a number of meetings with ICANN staff, lengthy discussions on its email list and a number of public discussions at ccNSO meetings. It has also sent out and considered the responses to a questionnaire.

1.4. Taking into account the input of the individual members of the BWG and that of the members of the ccTLD community generally, the BWG makes the following report to the ccNSO Council. The BWG suggests that the Council aim to publish the core of this report as a guideline for ccTLD managers on financial contributions to ICANN.

2. Background

The issue of ccTLD managers making a financial contribution to ICANN has been a vexed one for many years. It is clear that ccTLD managers opinions vary widely on how any financial contribution to ICANN should be calculated. However, currently there are 3 ways in which payment is made:-

- a) Pursuant to a contract – a small number of ccTLD managers have a contract with ICANN under which they are committed to pay an amount annually. That amount is based on the number of names the ccTLD manager has under management.
- b) Pursuant to an accountability framework – an increasing number of ccTLD managers are entering into an accountability framework with ICANN and nominating therein an amount they agree to pay ICANN. In most cases the ccTLD manager agrees to review the amount every 12 months.
- c) Voluntary contribution – a number of ccTLD managers make a voluntary contribution to ICANN each year.

ICANN has published a list of contributions by ccTLD managers for the financial year ended June 30 2005. Accordingly the contribution made by various ccTLDs is public and the BWG has used this information to assist in formulating the guidelines.

3. Guidelines

The BWG believes that a financial contribution by ccTLD managers to ICANN operations is essential for a fair apportionment of costs among all constituencies.

The purpose of this guideline is to assist ccTLD managers to nominate a contribution amount in any Accountability Framework they enter into with ICANN or to assist ccTLD managers in calculating a voluntary contribution.

It is important to emphasize that this is a guideline to ccTLD managers and it does not contemplate that financial contributions would be mandatory.

The BWG recommends that where a ccTLD manager wishes to contribute to the funding of ICANN they should do so using the self select banded model set out below. The chart provides a series of bands and also sets out which ccTLD managers contributed in which bands for the 2004-2005 financial year. This purpose of detailing the contributions is to provide a guide to ccTLD managers as to what their peers are paying to ICANN.

So, for example, if the ccTLD manager for .zz is entering into an Accountability Framework with ICANN or wishes to make a voluntary contribution, and considers that .zz is of a similar size and nature to .ca then the recommendation is that the manager of .zz select a figure within the same band as .ca.

The lowest band in the model is 'between US\$500 and US\$5000'. The BWG believes that for a contribution to be meaningful it needs to be a minimum of US\$500.

Band	2 Letter Code	Contribution for year ended 30 June 2005
Over 150,000		
100,001—150,000	.jp	\$103,139.50
70,001—100,000	.de	\$85,000.00
	.nl	\$85,000.00
	.it	\$85,000.00
	.ca	\$81,407.00
	.au	\$80,427.74
40,001—70,000	.br	\$70,000.00
	.uk	\$50,000.00
	.se	\$45,000.00
20,001—40,000	.be	\$40,000.00
	.fr	\$33,545.00
	.kr	\$30,000.00
	.pl	\$30,000.00
	.tw	\$28,432.72
	.ru	\$22,968.00
	.hu	\$22,000.00
5,001—20,000	.dk	\$18,000.00
	.ro	\$12,936.00
	.cz	\$11,500.00
	.cl	\$10,000.00
	.nz	\$10,000.00
	.il	\$9,000.00
501—5,000	.fi	\$5,000.00
	.gr	\$5,000.00
	.lt	\$5,000.00
	.lu	\$5,000.00
	.lv	\$5,000.00
	.sg	\$5,000.00
	.si	\$5,000.00
	.tr	\$5,000.00
	.is	\$3,500.00
	.pr	\$1,500.00
	.cr	\$500.00
	.gu	\$500.00
	.im	\$500.00
	.kz	\$500.00
	.mo	\$500.00
	.pm	\$500.00
	.pn	\$500.00
	.re	\$500.00
	.tf	\$500.00
	.vi	\$500.00
	.vn	\$500.00
	.wf	\$500.00
	.yt	\$500.00