

## ISPCP Comments on Paper "HOW WE MEET: A DISCUSSION PAPER FOR COMMUNITY DIALOGUE 8 July 2024"

ISPCP appreciates the current environment and understands the need to review the Community's "meeting" arrangements as laid out in the discussion paper. Details of the general breakout between the various expense items that may need reduction will be necessary to articulate a more detailed proposal, but the following offers general considerations on how ICANN meeting budgets may be revised or adjusted and where the priorities should lie.

As elements of context, the Constituency notes the general trends of higher overall costs, including a 20% increase in travel expenses, as well as the projections for funding for FY25–29 for the FY25 budget projected as "lower than originally estimated", with a "base case scenario for funding is now projected at \$145 million, versus the previous estimate of \$148 million"<sup>1</sup>. The Constituency also acknowledges the difficult "organizational changes" that have been necessary to ensure ICANN's "Financial Stability and Sustainability," namely the "elimination of 33 staff positions" decided in May 2024<sup>2</sup>.

In this context, our working assumptions are the following

- Current unfavorable domain name market trends will continue – or at least should not be assumed to improve
- If a minimum of 15% cuts are required, small adjustments at the margin will not be sufficient
- As a result, any spending reduction measure is likely to be unpleasant and will only be acceptable throughout the Community if the effort is evenly spread and is generally perceived as being "fair."
- External sponsoring is unlikely to make up for a 15% increase in expenses
- Cross-community work primarily relies on "in-person meetings."

Any organization faced with an unbalanced budget is confronted with the following alternative:

- 1) reduce expenses with a clear set of priorities/changes, noting there are always difficult decisions to make
- 2) increase revenues (including, in this case, global domain name sales in volumes)

The ISPCP considers that relying on option 2) and expecting "rebalancing the books" to address this should not be the preferred approach. We therefore consider that the effort should assume that:

- No increase on registry/registrar fees be made unless "measures of first order" are not sufficient
- No change to the cost recovery principle for new gTLD (ASP, CSP application fees)

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<sup>1</sup> FY25 budget forecasts <https://www.icann.org/en/system/files/files/adopted-fy25-budget-2024-en.pdf>

The following, therefore, essentially focuses on how expenses can be reduced.

The ISPCP Measures of ‘first-order’:

- Prioritize 3 ICANN meetings at this point, with the understanding that
  - o ICANN meetings should be focused on cross-community work rather than outreach and capacity building
    - Including adjustments such as prioritizing community social events over group dinners
- ICANN funding for intercessional meetings, SOAC Leadership, and Strategic Planning meetings should not be the priority and should be replaced by day 0 or “day 5+x” if/when necessary, virtual otherwise,<sup>2</sup>
- ICANN funding for regional meetings should not be the priority and the extent of ICANN grant programs may be adapted
- ICANN traveling policy may be reviewed e.g. business class or premium economy for travel only over 8 hours and/or overnight flights, which is common practice in the industry

As a measure of last resort, and after the above has been tried out, the following may be considered in this order:

- consider changing 1 ICANN meeting into one virtual meeting, and consider “least decisional one” for this
- consider increasing registry/registrar fees but remain under inflation figures (national or international reference rate to be determined)

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<sup>2</sup> <https://www.icann.org/en/blogs/details/organizational-changes-to-ensure-icanns-financial-stability-and-sustainability-30-05-2024-en>