ICANN85 | Prep Week – ICANN Planning and Finance Update
Monday, February 23, 2026 – 11:30 to 12:30 AM IST

KELLY MEDINA

Hello and welcome to the ICANN85 Prep Week Planning and Finance Update. My name is Kelly Medina and I am participation manager for this session. Please note that this session is being recorded and is governed by the ICANN Community Participant Code of Conduct, ICANN Expect Standards of Behavior and the ICANN Community Anti-Harassment Policy.

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Please state your name for the record, the language you will speak if you are speaking a language other than English and speak at a reasonable pace. Today's presentation is published on the ICANN85 Prep Week schedule page and will be published on the ICANN Finance and Planning Community Group Workspace.

I will now go over the agenda. Today's agenda, we will be going over the Fiscal Year 2026 Financial Update, the Draft ICANN Fiscal Year 2027 to 2031 Operating and Financial Plan, and the Draft

ICANN Fiscal year ‘27 Operating Plan, the Draft Fiscal year ‘27 Budget, and Overview of Public Comments Received for the Draft Plans, Next Steps. And we will be allotting time for questions and answers at the end of our presentation. I will now hand over the microphone to Alex Morshed.

ALEX MORSHED

Thank you, Kelly. I will begin with a financial update of our current fiscal year, which is FY26. If we can move to the next slide, please. So overall, it's a good story, the FY26 financials for the first seven months of the fiscal year, which began July 1st, 2025, and this update is through 31st of January, 2026. Our financials are strong compared to both the budget and the prior year, and these strong financials have been achieved through higher than planned funding, and our expenses remaining at or below budget.

So, for ICANN operations, our forecasted expenses are projected to be lower than our funding, and this will result in a surplus at the end of the fiscal year. The expenses for our separately funded programs, which are the 2026 round and the grant program, are also aligned to their respective budgets. Next slide, please. So, here is a visual representation of our expenses across all of our business segments.

So we see ICANN operations on the far left and the range represented there by the top. So, it's $145 million to $150 million range per ICANN operations, and then they forecasted the New gTLD Program, 35 million from the grant program at 7 million and just noting that the 7 million of the grant program includes $5 million of grantee distributions for a total range of 187 to 192 million. Next slide, please.

So this is an overview of funding and you can see year-to-date on the left and then the full-year forecast on the right. So on the left, which is again seven months beginning July and ending in January. We had a hundred million dollars of funding, which is about $12 million favorable to the budget and similar versus last year. And then on the right we see our full-year forecast, which is $165 to $170 million of funding. And quite a favorable difference versus budget and last year.

And this is driven by higher than planned domain name registration volume for the most part. Next slide, please. So, these are the same type of view for ICANN operations expenses. So, we see on the left the year-to-date for the first seven months of the year with actuals being 80 million versus the budget, is slightly lower than the budget of 82 million, slightly higher than the budget than the last year, actuals of 78 million. And then our full-year forecast, we expect to be at or below budget, risk represented by the range there, 4145-4250 million versus the budget of 4150 million, and prior year FY25, expenses of 141 million.

Next slide, please. So, here is a view of the 2026 round for FY26 year-to-date expenses and program to date expenses. So big picture, the program to date for the implementation costs are $3.5 million under budget. And this is driven primarily by a delay of non-personnel expenses. And then for the fiscal year-to-date, you can see that our actuals are actually slightly above budget. And this is due to catching up from earlier delays. So, we're spending more now than our budget was, but previously, we were under budget.

All to say that we expect the full-year forecast to be the 70 million, which was our budget for the full-year implementation costs. Next slide, please. And here we have a similar view, for the grant program to date, we are about $300,000 under budget.

And this is driven primarily due to favorability of non-personnel expenses as a result of unused contingency and review of application eligibility. The first cycle of the grantee awards began last year, FY25, and will continue through FY27. So, program to date, we've made about $5 million of disbursements, and we have another $2.6 million planned for FY26. I think that is it for my updates. I will hand it over to Margaret. Thank you.

MARGARET BENAVIDES

Thanks so much, Alex. I appreciate that. Hello, everyone. For the record, my name is Margaret Benavides and I'm from the ICANN Planning Team. I will now provide an overview of the Draft ICANN FY27 through '31 Operating and Financial Plan, as well as the Draft FY27 Operating Plan. Thank you.

Next slide, please. This slide shows the annual operating plan and budget planning process and timeline. This process started last April with the community planning prioritization process. The community planning prioritization process consists of the planning prioritization group, and that is members from the community that are selected by the stakeholder groups and constituencies leadership. They prioritize activities in July of 2025 as part of input to the draft ICANN and IANA FY27 plans, which Org then began developing through November of 2025. Lee's plans were posted for public comment from the 16th of December and just closed on the 12th of February.

There was a separate public comment proceeding that opened simultaneously for the draft PTI budget as well. Later in this webinar, we will provide a short overview of the public comment. We are in the process of reviewing all of the public comments that were submitted for both the ICANN and IANA proceeding, as well as the PTI operating plan and budget proceeding.

And there will be two summary reports that are published for both of those proceedings. The anticipated publish date will be April 2nd. We will review the public comments and make updates as needed based on that feedback, as well as look at other circumstances and developments that need to be considered. These plans will be considered for adoption by the Board in May, and once that occurs, the empowered community period will begin. Pending no objections from the empowered community, the plans will go into effect on July 1st of this year.

Next slide, please. Thank you. These are the key planning assumptions that we use to develop the drafts FY27 plans. The first assumption indicates that the operating plan will reflect the strategic direction set forth in the FY26 through '30 strategic plan. The development of the strategic plan included participation across the ICANN ecosystem and was adopted by the ICANN Board in March of 2025.

The second assumption is that ICANN plans are reviewed at least annually and are updated as needed to account for changing circumstances and developments. The third assumption is about financial sustainability. These plans incorporate two fundamental principles of long-term ICANN financial sustainability that are critical to ensure funds are available to deliver on ICANN's mission, and that is to prevent operating expenses from exceeding operating funding.

And then the second principle is ensuring the continuous maintenance of healthy reserves. The fourth assumption is that the plans are developed based on a current understanding of inflation, as well as other macroeconomic trends for FY27 through '31. And the final assumption is that we plan for Board approved activities. This means implementation work for community-led activities can only be included in our plans once the recommendations and policies are Board approved and prioritized through that community planning prioritization process. Next slide, please.

This slide shows what consists of the operating plan. The operating plan consists of the execution activities that ICANN will undertake to achieve the strategy set forth in the adopted strategic plan. And those are the strategic initiatives. It also consists of all of the continuing operations work that ICANN takes to support the mission and mandate. Next slide, please.

This provides an overview of the strategic initiatives. So, as you can see here, the strategic initiatives are grouped by four strategic objectives that they support. This grouping is meant to highlight the linkage between the strategic plan and the operating plan, and each of the strategic initiatives, as you read, the draft plans, is assigned to a function that is leading the execution of the initiative. But these initiatives are functional, so that means that there are other teams that are supporting the initiatives.

The reporting of these activities is across the FY26 through ‘30 period, and the strategic initiatives are tracked across that defined five-year timeframe of the strategic plan. There is phasing for each of the strategic initiatives, and that is basically because some things need to be addressed immediately and others will be initiated later in the five-year period. I'm happy to take questions at this time. And if not, we can turn it over to Daniel Stevens, who will review the Draft FY27 Budget. Thank you.

KELLY MEDINA	Thank you, Margaret.

MARGARET BENAVIDES	I don’t see any right now. Next slide, please.

KELLY MEDINA

I'm not seeing any questions.

DANIEL STEVENS

Thank you, Margaret. This is Daniel Stevens and I'll be reviewing the Draft Fiscal year '27 Budget. We can go to the next slide. So this slide describes total ICANN and each of its business segments. The totals are on the right and are made up of the segments on the left which are ICANN operations, the New gTLD program, the sticker fund, the grant program, and the reserve fund is included for completeness. You'll see we begin with a projected ending balance of the money in each fund, and then we look at the expected funds collected for each segment.

You can see the ICANN operations, that $161 million is the budget that we expect for fiscal year '27 for operations which Alex was referring to for fiscal year '26. And the New gTLD program, we are anticipating the application fees to be fully collected during fiscal year '27 for the 2026 round of the New gTLD program. Below that you will see operational expenses and then cash expenses below that, and you'll see that for ICANN operations, this is a balanced budget.

We expect the funding and the expenses to be equal. The New gTLD program will not spend all of the application fees in its first year, so there is an increase in the funds there. The grant program, those funds were collected. It's funded through the auction proceeds of the 2012 round. So we have expenses, but no new funds.

Finally, there are investment income assumptions at the bottom, and then the final balance expected at the end of fiscal year ‘27 in each of the funds for the various business segments that pick up total ICANN. And finally, you'll also see the average FTE or full-time equivalent. This is essentially the number of employees in ICANN, separated out through the various segments that they support. And we can move on to the next slide. So, that was a total ICANN, and now we'll focus on ICANN operations, which is the day-to-day activity of the organization.

And we can go to the next slide. So, this slide explains funding trends. It includes the previous three years of actual funding and the current year forecast, and then the draft FY27 budget. You can see it was flat with minor increase in fiscal year ‘25. It's a much larger increase in fiscal year ‘26 driven by larger transaction volumes. Those are the ads renews and deletes in the top-level domains. And then the ‘27 budget is somewhat lower than that. Part of that is because of the ‘26 just being higher than expected, and these assumptions were developed close to the end of fiscal year ‘25.

And we can move on to the next slide. These are the expense trends. And so, you'll see here in fiscal year 24, there was the significant increases in expenses. As we moved out of COVID in recent travel, we needed to do some cost reductions in order to balance the budget. So, you'll see that take effect in fiscal year '25. '26, we're expected to be, as Alex mentioned, at or below budget for expenses. And fiscal year '27 allows for some inflationary costs and investment to be equal to budget in fiscal year '27.

But that is in a planned increase from fiscal year '26. The next slide will show the differences between the '27 budget and the 26 forecast and what those are. So, in fiscal year '27, there we are allowing for some inflationary increases for personnel expenses, but also more full-time equivalents that will be there. So, a slightly higher headcount which you'll see reflected at the bottom of this chart. We are also allowing for some increases in non-personnel expenses.

So, this is largely inflationary, but also includes some investments for training, launching an internal audit program that increases the data escrow fees. So, a small increase there. We've included depreciation and non-cash items here for visibility. This hasn't been included in previous budgets, but we've begun including this so that it can be seen clearly. Everything else remains relatively equal as far as the contingency, and then the capital expenses, which you'll see at the bottom there, which is not part of an operating expense, but a cash expense.

And then, you'll see the final result of a $161 million expense expected in the '27 budget compared to the FY26 forecast. You'll also see that the forecast for FY26 includes the expected surplus, whereas we anticipate being flat in fiscal year '27 with no surplus or deficit. And we can move to the next slide. So, that was the review of ICANN operations, and we'll now move to the New gTLD program, specifically the 2026 round.

ALEX MORSHED Daniel, sorry to interrupt you.

DANIEL STEVENS Oh, yes.

ALEX MORSHED There were a couple questions that we can take now. I guess I'm assuming they were related to the first section.

DANIEL STEVENS Sure. Yeah, we can take those and then look at the 26 round afterwards.

ALEX MORSHED I think Michael mentioned he had a question. And then there's one in the chat from Sazan. I'll read the one in the chat first since it's right here. "How will ICANN handle the fund and maintain the transparency of the budget?" I didn't fully understand the question. Sazan, if you could type in the chat or unmute to clarify, that would be great.

SHEIKH SAZAN

Thank you, Alex. I want to say that as we know, ICANN is a non-profitable company or organization, so I want to ask that how will the manage the fund from ICANN, how can we manage the funding and how will ICANN transparent or publish their fund, how will they manage or how will they expand their fund?

DANIEL STEVENS

Thank you, Sazan. I think I understand what you're asking essentially, because ICANN as a nonprofit, if our funding exceeds our expenses, how do we deal with that? We do have a process for this, and at the end of each fiscal year, we review the financial results, and if there is an excess, we have what's called the hierarchy of funds. This is described in the documentation. And we recommend to the Board different options of what to do with those funds, but it's ultimately a Board decision.

We can move them into a fund such as the sticker, which allows for us to use those funds towards special projects, or we would be able to move funds into the reserve fund as well. And so, that hierarchy of funds describes when we would move funds from one place to another and what the rationale is for that. Does that answer your question? Great. Thank you. Michael, you have something as well?

MICHAEL PALAGE

Yeah, Michael Palage for the record. So, as a follow up to the reserve funds, I believe the budget rate now shows $230 million of money associated with the auction of last resort proceeds from the

2012 round. I did not see any projections in the five-year plan regarding auction proceeds of last resort in connection with the upcoming round. Although ICANN has made projections in its budget to anticipate about 1500 applications.

Given that ICANN will have a monopoly over all auctions of last resort proceeds, and given that the last round 2012 took an over, I believe, $1.3 billion in auction of last resort proceeds, how does ICANN envision that? And as I noted in my public comment, would it be best for ICANN to just allocate these funds to someone better equipped to handle grants?

In my comment, I noted that I believe ICANN is spending several dollars in administrative cost to allocate only a couple of, I think it's like $2.50 or $2.70 to allocate $5 of grants. And this appears to be inconsistent with other best practices of nonprofit grant bodies. So, if Xavier could perhaps speak to this, I would really appreciate it, or I could wait to see how ICANN responds in the formal response to my inquiry. Thank you.

DANIEL STEVENS Thanks, Michael. I'll let Xavier respond, but to know we will address some of this in the ‘26 round budget and grant program budget as well.

XAVIER CHALVEZ Thank you, Michael, and thank you, everyone. Just quickly Michael is referring to the fact that some of his comments he's just made and questions he asked, he also submitted them in the public comment process, and we will respond to each of the public comments submitted. But in the meantime, we're happy to also raise this here. And Michael, please check on the items that I may not have answered fully by the time I'm finished.

The auctions of last resort that you are referring to apply for the 2012 round, ICANN does not have information as to how much money was exchanged in the auctions that were held privately. ICANN collected $236 million from the auctions of last resort that it handled, which is 14 auctions processes. And these funds are currently invested and then distributed through the grant program.

The grant program was created as a result of community recommendations submitted by the CCWG that worked from 2017 to 2021 to submit recommendations to the Board. The Board adopted them. These recommendations recommended to the Board that the ICANN organizes a program to distribute those funds. That is why it is to the point of your question or comment, Michael, the distribution of those funds is organized by ICANN as per community recommendations.

Different community recommendations could make a different or could suggest a different type of approach to distributing those funds, but ICANN is simply following community recommendations here, and the Board did as well. We, by on purpose, have not tried to determine or to estimate the amount of auction proceeds that could potentially come from the upcoming round, the 2026 round, simply because there's no possibility for us to have any kind of informed and relatively precise estimation of auction proceeds. And therefore, we have not tried to do that estimate. There can be a lot of speculation about what that amount could be, and we didn't try to.

In addition, I just wanted to say that the auction proceeds of the 2012 round triggered the work of this Cross community working group that made the recommendation on how to distribute them. And these recommendations do not apply to any other funds or any other New gTLD round, they only apply to the 2012 grant. Which then implies that should there be auction proceeds generated by the 2026 grant, there would need to be a community process that provides indications or guidance to the Board and to ICANN as to what those proceeds need to be handled and managed and potentially distributed.

And that process has not yet happened, and it will only happen upon having an understanding of the amount of funds and the community intentions on how to deal with those potential funds to come. Have I addressed everything you asked about or commented on?

MICHAEL PALAGE

I think so. The only question, question that I would like to ask is you noted that you did not have the ability to ascertain the value of the private auctions, but ICANN in its contract with the 2012 baseline agreement did have the ability to engage in economic surveys. So, I guess my question to you is, is it of your opinion that ICANN has the contractual authority to undertake that economic assessment of how much money changed hands since the prevailing party is the one who has a contract with ICANN? Fair assessment?

XAVIER CHALVEZ I don't have the ability at this moment to determine if we have the contractual authority to do that. I think the determination of a market study would need to be decided upon and then carried out. And I'm not completely sure that we would have the ability to obtain that information under that process. So, I'm happy to evaluate it further and come back to that question because I don't have the precise or short answer to that question.

MICHAEL PALAGE So just to follow up to that, and the reason I think this is incredibly important, and maybe John could answer this question since he is on this call, the reason to contractually enforce obligations against applicants and registry operators is, ICANN is proposing as part of the 2026 round, a prohibition against communications. So, if ICANN cannot contractually require applicants to participate in economic studies and turn over that information, how do they intend to enforce the prohibition on communications in the 2026 round?

XAVIER CHALVEZ

I'm happy to start, and if anyone else in the staff would like to answer or contribute, they will. So, the prohibition of communication during certain periods is what has been said to prevent or to ensure or enable the possibility that there's no communication between applicants so that those private resolutions don't occur to prevent gaming.

I want to emphasize that, and gaming in this case is parties applying for a TLD with the hope that it will be in contention, and with therefore the hope that they will be benefiting from proceeds that a buyer or a party would like to pay in order to be the sole party remaining in a contention. The Board, based on also community recommendations has determined intend to prevent that.

There's absolutely limitations in the ability to completely and fully enforce these prohibitions in the contract. Though obviously through our general contractual compliance process, we expect to be able to enforce those recommendations up to the extent that information is available to be able to do so. I'll leave it at that, and we are happy to come back further to that question at a later date when we can provide a fuller answer. Thank you.

KELLY MEDINA

Thank you, Xavier. I see Claire, you have your hand up. And before you start, I also want to just promote that there is going to be a session by the 2026 next round team tomorrow during the ICANN85 prep week. Please visit the ICANN85 schedule to get more information about it. Claire, go ahead.

CLAIRE CRAIG

Thank you, Kelly. This is Claire Craig for the record. Can you just, Daniel, go back to the previous slide? I just have a question with respect to the full-time equivalence. Is that the dollar figure, or is that personnel increase in the full-time equivalence that we are seeing there?

DANIEL STEVENS

Yes, that's the increase in the number of people in ICANN operations.

CLAIRE CRAIG

Okay. And can you give an explanation? It seems like quite a large amount of persons you are expecting to bring on board during that time. I'm not saying whether it's good or bad, but just to understand the need for the increase in staffing. Thank you.

DANIEL STEVENS

Understood, yes. This is actually largely due to fiscal year ‘26 being under budget and the number of people in the Org. Our budget called for the year ending with 406, and you'll see that the year-end in fiscal year ‘27, we're budgeting for 407. So, we're getting up to where we had planned, and then there's only really a difference of one from this year's plans to next year's plans. But the fiscal year

‘26 forecast is reflecting what has actually happened in this fiscal year so far.

CLAIRE CRAIG

Thank you, Daniel.

DANIEL STEVENS

Thank you. If there are no further questions, we can move to the 2026 round budget and continue there. Hopefully this will also answer some of those other questions that came up. So, we can move to the next slide. So, this slide goes over the assumptions that go that are part of the ‘26 round financials. We are still on track to open the round in April of 2026, and we'll be open for 12 to 15 weeks.

We are using a volume of 2000 applications for all of the following financial projections. And in fiscal year ‘27 specifically, the activities will be focused on the training and onboarding of resources in order to process applications, the payment reconciliation, we will also have the refill day. We'll work through replacement strings and then confirm the applicants on the confirmation day.

And so, you see there's a lot of activity happening in the 26th round during fiscal year ‘27. And then we anticipate beginning delegations in fiscal year 28. And then ongoing from there, if we go to the next slide, here we'll see the dollars associated with all of these activities. So, the column on the left is fiscal year ‘27 expenses, and the column on the right is total expenses for the program. You'll see the implementation costs will be complete.

We're anticipating a budget for that 70 million. And then in fiscal year ‘27 we'll have expenses related to the processing of applications of just under $50 million. You'll see the breakdown there of personnel and staff augmentation, travel, all those different categories. And then we also have allocated $5 million for contingency and the risk allocation there for fiscal year ‘27 expenses of $55 million, which includes, Claire, just to go back to your comment on operations, just over 57, excuse me, full-time equivalents working specifically on the 2026 round.

To note, the implementation budget of the program assumed 1000 applications in setting the fee, and so if there are more than 1000 applications, there would be a volume refund related to the implementation costs that are contained within those fees. And so, if we had 2000 applications, we would refund $70 million to those applicants.

And so, this net cash received of 384 million is what you saw in the total ICANN budget as far as the funds received from application fees. We can go to the next slide here. And we'll look at the grant program, and then we can pause if there's other questions for ‘26 rounding grant program before we look at PTI. So, now let's go to look at the grant program budget.

So, you can see here the first column is what actually happened in fiscal years ‘23 through ‘25. This is largely to set up the program is what was happening during that time. Though at the end of fiscal year ‘25, we did have the first grant distributions going out. In fiscal year ‘26, we are continuing to distribute grant payments from the first cycle, which was about $10 million in total grants.

And then in fiscal year ‘27, we will continue to distribute those grants and then also plan for the next cycles of the grant program. You'll see that if we then look at fiscal years ‘28 through ‘32, there's the estimated grant distributions of between $230 and 235 million. Though our expenses are not expected to grow significantly from previous years, so during that same time period, we'd have about between $8 and $12 million in expenses to distribute those funds.

So, a total expense ratio of 6 to 8% for the program. It does start higher and then get lower as time goes because it's more expensive to set up the program at the beginning. And then the grants are awarded over time without any significant increases to the expenses there. But the fiscal year ‘27 in the middle, you'll see the total expenses versus grants distributed in that fiscal year as we plan for the, the second and future cycles of the grant program.

If there are any questions on the 26th round or grants, we could take those now or we'll review the PTI budget for fiscal year ‘27, which is the final section of the fiscal year ‘27 budget.

KELLY MEDINA Hi, Bill. I see your hand up if you would like to unmute.

BILL JOURIS	Yeah, this is Bill Jouris for the record. The IDM project has chosen to outsource the conflict review panel, I'm not sure of what the exact name is, which will be reviewing New gTLD applications for confusion and conflicts with other gTLDs. What cost does the budget anticipate that will be? Thank you.
DANIEL STEVENS	Thank you, Bill. I see Xavier as his hand here.
XAVIER CHALVEZ	Thank you, Bill. And this is a question that's specific to the next round. And the only comment I'll make at the this point because I don't have the exact number handy at the moment to answer your question, the costs that are anticipated for any evaluation of the next round, including the one you asked about, is obviously dependent upon the number of applications that will be received and the number of applications that are subject to any given type of assessment and evaluations. And therefore, that cost is currently purely an estimate on the basis of an assumption of overall general assumption of 2000 applications for the upcoming round, which is what we've been using for modeling purposes at this stage. So, we have made an assumption of cost on that basis for the next round. I will make a note to follow up on your question to provide an answer in writing to it because we do not have the information handy at this time. Thank you for it, and we'll follow up with you.

DANIEL STEVENS

Thank you, Xavier. If there's nothing further, then we can go to the next section. So, this next section is specific to PTI, the Public Technical Identifiers, which is an affiliate of ICANN and carries out the IANA functions. We can go to the next slide. To note, the PTI and IANA budgets are fully contained within the ICANN operations budget.

So, these are segment, or they're a portion of the overall ICANN operations. So, this is within that $161 million we discussed earlier, but not in addition to it. The fiscal year ‘27 PTI budget is essentially flat to fiscal year ‘26, but is above the fiscal year ‘25 actuals. ICANN also has some carried out some IANA support activities, which are not carried out by PTI and those are the same as the previous year as well.

There is some increase to PTI expenses that are specific to the 26th round as well. And so, there are some allocation that is going over there. Is there any other question regarding the budget in total? It could be regarding PTI, I know we've had some breaks for other questions on the other segments. If not, then I can hand over to Maragaret to review the public comments that have been received so far.

MARGARET BENAVIDES

Thanks, Daniel.

DANIEL STEVENS Okay. Thank you very much.

MARGARET BENAVIDES Appreciate it. Okay, I don't see any hands raised or any questions in the chat, but if you have any, please feel free to raise your hand or type question or comment in the chat, and we're happy to take them, okay. So for now, I'll review to provide a short overview of the two public comment proceedings. As we mentioned earlier, I'm Margaret Benavides from the planning team. We just closed the two public comments on the 12th of February, so we are kind of still in the evaluation process.

Next slide, please. Thank you. Okay, so there were two proceedings that opened on the 16th of December and closed on the 12th of February. We are anticipating publishing staff reports for both of the PTI proceeding as well as the ICANN and IANA proceeding on April 2nd. As you can see, for the first proceeding, there were quite a few documents that were included in the first proceeding. The second one was just the PTI operating plan and budget. Next slide, please.

So this goes into the ICANN and IANA proceeding. So, we did receive eight submissions, a total of two individuals and six groups responded, and that yielded 189 individual comments on the draft IANA plans, and this is a step up from the past four years. Thank you.

Next slide, please. So we have had the opportunity to group the public comments by theme in a preliminary grouping. So, as you can see here, the themes are listed on the left, financials management, functional activity plans, the structure of the plan, planning assumptions, strategic initiative plans, ICANN fund proposal other, and IANA operating plan and budget. And the tan bar shows the breakdown of comments across those themes by the different submitters. And that yields the 189 comments.

Next slide, please. This slide goes through the PTI public climate proceeding. So, we did receive 19 comments submitted by four groups this year, and that number is somewhat in alignment of the last few years.

Next slide, please. The 19 comments that were received for the PTI operating plan and budget were split into three themes, the scope of work, the budget, and other. And you can see on the left, those are the SOs and ACs that did submit to the PTI operating plan and budget. And we do really greatly appreciate everyone's feedback on both of the proceedings and are really taking the time to carefully read through the submissions.

If we can flip to the final slide, I'll walk us through the next steps in the planning process so everyone has that for their attention. So as mentioned, we will endeavor to publish both of the summary reports on April 2nd. They will both be posted on their respective public comment pages along with an outcome of each of the proceedings. Through the planning process, ICANN may periodically evaluate whether any of the assumptions included in the plans should be updated. This is really important given how far in advance the adoption of the detailed plans are developed.

So, in some cases, that latest information may result in updates to either the funding and or expenses set out in the plans that are presented to the Board for adoption. So, we do take that into consideration, and revisions or updates may occur before the Board's final adoption. Any updates to the plans will be logged in an updated version of the highlights document. And that will include descriptions of the change as well as the location of the change in the plans. So those are changes that may come out of public comments received or updates to the assumptions. And if needed, a proposed for adoption version of the plans will be posted on the public comment page as well before the Board adopts.

We do have the PTI Board who will first review the PTI operating plan and budget in mid-April. The ICANN Board will review the ICANN and IANA operating plans and budgets in May, and then the empower to community process will follow. Pending no rejections, the plan will go into effect on July one. Next slide, please.

Okay, so this concludes the presentation component of the Prep Week community webinar. I will now hand it back to Kelly who will manage the queue for questions. And thank you again for engaging in this process with us. Appreciate it. Thank you.

KELLY MEDINA

Thank you, Margaret. This is Kelly Medina speaking for the record. We do have one question that came in through the chat from Cheryl. Will the answers to questions received to that email or noted today for follow up with more detailed answers be published? Becky, I see your hand up.

BECKY NASH

Yes, thank you very much, Kelly. Hello, everyone. This is Becky Nash from the planning team. I just wanted to respond to the question that Cheryl has that we will be sure to make public any of the follow up questions that we respond to from the emails. And we have two methods to do that. One is to post on the finance and planning community workspace or the Wiki.

We can post responses next to where the presentations for today's webinar is posted as well. And we also have, as noted on the next slide, a specific email public email called the Community Finance and Planning email that also we public on ICANN's website. So, we have a variety of ways to make sure that we respond to the public on those two websites. Thank you. And I see we have another question from Michael.

KELLY MEDINA

Thank you, Becky. And just to add in onto the community finance mailing list, that mailing list does have a public archive. So, anyone that is subscribed to the mailing list or visits the mailing list can also review previous emails that were sent through that mailing list. So, you would like to send a question that way, it would also be stored in that archive. Michael, I see your hand up if you would like to unmute.

MICHAEL PALAGE

I am. Thank you, Michael Palage for the record. Xavier, in the chat, I sent you a link to the reference to the valuation of private auctions from the 2012 round. Hopefully that could be of assistance to you and your staff for future projections.

One thing I would like to come back to is my reference to the need for economic studies. So, earlier in the call, there was talk about inflation and how that has raised some of the costs, particularly in connection with the application fee from $187,000, last round to $227,000. As someone who is working with a number of prospective applicants looking to apply for New gTLDs in the next couple of months, one thing has jumped out at me, the backend cost, the RSP fees have been actually going down.

So this, Xavier, is one of the reasons why I think an economic study would really be important because some prices seem to be going down, others seem to be going up. There seems to be a disconnect, in least what I see between gTLD prices and ccTLD prices, although they basically are the same function. So, this is really why I want to call on ICANN to exercise its contractual authorities to undertake these economic surveys.

So, again, I just wanted to point out to that because I think this would really go towards explaining some of the inconsistent data points regarding inflation within the gTLD global marketplace. Thank you.

XAVIER CHALVEZ

Thank you, Michael. As I'm repeating that this comment was made by you also in writing in the public comment on these plans, we will also respond to it in writing, but I appreciate the background and rationale behind the question that you are offering here, which we will also use in order to answer the question. One thing that I wanted to clarify for everyone, and Daniel touched on it a little bit earlier, the application fee for next round for the 2026 round is $227,000.

This fee has been extensively disclosed over the past few months, is enabling the organization to recover, sorry, the preparation cost that it has incurred for this program, the $70 million that has been mentioned earlier. And we would recover the entirety of that $70 million if we would collect a thousand applications, which means that under our scenario of model of 2000 applications, if we receive 2000 applications, we would collect more funds back than the $70 million that we have incurred.

That's why a refund is planned to be organized to the applicants should we receive more than a thousand applications. And if we would receive 2000 applications as per our current modeling, the application fee paid by an applicant net of that subsequent refund would be effectively $197,000, which is a much lower fee at constant currency than the fee that was charged in 2012.

So, just a data point, happy to speak about it more in the future, but just wanted to put in context the topics of inflation and changes of fees relative to the application processing of New gTLDs. But with that, I just wanted to make sure, Michael, you understand we will respond more fully in writing as part of the public comment on your comment relative to a market study.

MICHAEL PALAGE Thank you, Xavier. And as I just noted in the chat, I believe, can you correct me if I'm correct, since 1999, the registrar accreditation fee has remained fixed at $10,000. I don't believe that that has been adjusted upwards in the last 25 years.

XAVIER CHALVEZ The registrar liquidation annual fee is $4,000. And the application to --

MICHAEL PALAGE To apply, not their annual ongoing fees, but the application to apply, it's 4,000, not 10,000. I'm sorry. Thank you.

XAVIER CHALVEZ	And no, the application fee is $3,500 and the annual accreditation fee on an ongoing basis is $4,000. And that $4,000 has not been adjusted for at least 15 years as far as I know.
MICHAEL PALAGE	So, it has not been adjusted. So, maybe that could also be part of the economic study.
XAVIER CHALVEZ	Thank you.
MICHAEL PALAGE	Thank you.
KELLY MEDINA	Thank you. I do not see any more questions. And we are approaching our time. So, again, I would like to thank everyone for joining us today. As a reminder, we have several areas where this presentation is published, and we'll also publish the questions we received in our Wiki page. And also in regards to our public comment, we encourage you also to subscribe to the public comments, so to be notified when the staff report gets published in April. Thank you, everyone. And we may now go ahead and stop the recording.

XAVIER CHALVEZ	Thank you, everyone.

[END OF TRANSCRIPTION]