

## **RrSG response to Draft Financial Assumptions & Projections and Operating Initiatives for the development of Fiscal Years 2021-2025 Operating & Financial Plan**

The Registrar Stakeholder Group (RrSG) is pleased to make initial comments on the Draft Financial Assumptions & Projections and Operating Initiatives for Fiscal Years 2021-2025. Overall the RrSG does not have any objections to what has been proposed in either document, but we do note the absence of proper consideration for a future new round of gTLDs, which would impact both income and costs and therefore any assumptions and projections to be made.

### Draft Financial Assumptions and Projections

The RrSG finds the stated assumptions and projections to be appropriate on their own, but believes that the additional assumption of a future new round of gTLDs should also be included, or at least planned for. Current discussion within ICANN has pointed to a new round being expected as soon as FY 2020-2021, which may turn out to be premature, but still indicates that the next new round is more likely than not to impact the FY 2021-2025 Operating & Financial Plan.

There is reference throughout the document to the previous new round of gTLDs, their impact on the marketplace trends and therefore this Operating and Financial Plan, but this does not appear to include forecasts for a future new round. Whilst we appreciate that the actual timing of the next new round is still unknown, planning around that eventuality should not be. The RrSG notes that only registrar and registry fees have been included as income. It would be useful for the report to include more information on the statistics behind these numbers that the forecast is being based on. We would further like to see the funding for the next new round application and yearly fees, as well as attributed costs, also incorporated into the forecasts.

The costs associated with the last round were much higher than expected, so it is vital that the community understand how ICANN Org is planning to calculate and deal with the next round, which could potentially add significant numbers of new TLDs to the market. Given that the timing of the next new round is currently unknown, the RrSG recognises that to do this, a second set of forecasts may need to be presented in parallel, or appended, to those already produced which simply show potential year on year income/cost impact.

### Operating Initiatives

The RrSG notes that the listed Operating Initiatives do advance the stated objectives of the Strategic Plan, but also do not show planning for the next new round of gTLDs. A general description on how the reserve fund could be increased has been included, but without specific reference to a future new round.

The RrSG understands that ICANN Org may be treating the next new round of gTLDs completely separately to avoid creating expectations in the community for when it will come. However, the Operating Initiatives should, at a minimum, include an appendix to illustrate that the next new round of gTLDs has not been forgotten and is being planned for in the event that it comes within FY 2021-2025. A specific budget may not be necessary (or possible) at this time, but ICANN Org's vision for this future should still be outlined.