Transcription ICANN Helsinki
GNSO Meeting Update 2
Monday, 27 June 2016
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James Bladel: Thanks everyone. We're going to get started on our afternoon session. I'm just going to wait for staff to give me the thumbs up and there it is.

So welcome. As we're gathering around the table, this is the afternoon session for the GNSO Council, Policy Forum, Helsinki, Day 1 let's call it. We moved some things around in the afternoon session. I think the first up is going to be a - I haven't checked. I think it's a one-hour discussion of - is it an hour or is it a half an hour -- a discussion of the GNSO improvement. And - sorry. What - sorry, what?

Marika Konings: Review it and approving it is another project.

James Bladel: Review. Yes. Sorry. Improvements I was thinking the last time around where we had the PPSC. The GNSO review. If you recall I believe it was the meeting after Marrakech where we adopted the recommendation or we endorsed the recommendations of the GNSO Review Working Party. Yes? Okay. All right. I'm doing all right so far. The training wheels are going to come off one of these days.

The GNSO Review Working Party. And those were then sent on to the Board, the Operational Efficiency Committee -- yes; now I'm getting a headshake; okay -- to the Board.

The Board is I believe, and I'll - I don't want to steal Rinalia's thunder but I believe is in a position to issue their opinion on those recommendations. The key thing here is that we're then going to be on the clock to put together a plan to implement all of the recommendations that we previously endorsed.

So with that, maybe I can turn it over to Rinalia just for a couple minutes to give us an idea of - if you can really actually just summarize what you told me yesterday working backwards from the six-month plan, I think that's really the takeaway that the Council needs to hear today. So if you don't mind, I'll just turn it over to you.

Rinalia Abdul Rahim: Thank you James. Rinalia Abdul Rahim for the record. I am the Chair of the Organizational Effectiveness Committee of the ICANN Board, that's the OEC.

And I do understand the challenges that James is experiencing. I haven't been sleeping since I arrived in Helsinki and it has affected my ability to think of words to complete sentences. So if I stop mid-sentence…

James Bladel: It would help if the sun went down just for a little while.

Rinalia Abdul Rahim: So I bear good news. The ICANN Board has met and based on the strong recommendation of my committee, the Board has approved the GNSO review recommendations as recommended by the Review Working Party and as endorsed by the GNSO Council and as modified by the GNSO Council.

What that translates into is you have 34 recommendations to implement. And we've had feedback that you may need a bit of time to work on it and six months was the time that the Board agreed to.

So we request that you work on the plan and publish it in about six months. And then the plan goes back to the Board for approval so that we can allocate resources for the implementation itself.

The request that my committee has is that in your process of developing the plan and once it's approved in the phase of implementation that we have regular contact and updates and that that would be very, very helpful so that we can see how you're doing, whether you need help on areas and, you know, we can address that as it comes along.

Also to make the process least painful for you, staff of ICANN has resources and tools that they can - that they have to help you in your implementation planning and also in the implementation phase. That's all I have.

James Bladel: Thank you very much for finishing the sentences with the appropriate proper nouns. So I think the takeaway here is that our recommendations have been adopted by the Board including our edits, if you will.

But we are now on the clock to put together an implementation plan within six months. And as a component that implementation plan must include regular check ins with the OEC. Is that the short story?

Rinalia Abdul Rahim: It's the short story.

James Bladel: Okay. Great. So then the discussion point for Council is that, you know, we want to move quickly. We're probably going to need to convene a team to draft this implementation plan and then begin the implementation of this.

We're going to have to take a look at what mechanism or structure will be most appropriate to, you know, put together this implementation. Last time around we had a number of groups that never ended. I don't remember what

they were called. One was PPSC and the other one was PDP - OSC, oh
gees, yes. I'm starting to have like this recurring - yes.

We put together a number of groups and unfortunately they did tend to bog
down for a while. I remember at one point it was just Avri and Jeff Neuman
and I slogging through the last one there at the tail end.

So maybe that's not the way we want to do it this time. Maybe we want to
think of something that's a little more fully functional in terms of how it can
address these recommendations.

But that's probably more - we don't have to solve that here. That's part and
parcel of the implementation plan that we need to create in the next six
months.

So I think immediate next steps for us, and I'm kind of looking at Marika's
direction, is that we would have to put together a motion to convene a drafting
team for this - yes. Go ahead.

Marika Konings: Yes. This is Marika. Just as a reminder, as part of the motion when you
adopted the feasibility assessment, you also asked staff to prepare a
discussion paper on, you know, what the next steps could be and how - what
kind of mechanism could be used or could be considered for developing the
implementation plan.

And actually Julie is happy to say a few words. But the discussion paper was
shared to the - with the Council list. So if it's helpful, she could maybe just
briefly walk you through what is in there and hopefully that then sets up the
Council for discussion on that and, you know, hopefully a decision as well on
what kind of mechanism you want to use. And indeed that would need to be
chartered and a charter would need to be adopted by the Council.

James Bladel: So just to be clear - and obviously we'll turn it right over to Julie. But the question on the table is what the - how we would proceed to launch the drafting team or how that drafting team would tackle the implementation work.

Marika Konings: The question is what mechanism do you want to use to develop that implementation plan.

James Bladel: Okay. Julie, go ahead.

Julie Hedlund: I did have some slides. I don't know - (David) has them ready to bring up. Just might be helpful too. Of course then - maybe since I'm not on the Adobe Connect yet, I can - if he brings them up I can just say next slide.

So, yes. I did send them the - this is Julie Hedlund for the record from ICANN staff. On the 20th of June I did send a discussion paper for Council consideration.

And as Marika noted, the, you know, the paper looked at some of the different mechanisms that were used for previous reviews. The OSC and PPSC in the early review and then the GNSO Review Working Party for the 2014 review.

And then based on looking at sort of the pros and cons of those entities, staff suggests that rather than trying to come up with a new mechanism or entity to develop the implementation plan, it might - the GNSO Council might consider using sort of a - now a sort of a standard entity, which is the -- I'm sorry -- the working group - the working group type of model.

You know, because we have a - we have used now the working group for PDPs, for non-PDP work. We have the working group guidelines, which would facilitate chartering of this entity.

We could look at perhaps adjusting membership options a little bit. The - for instance, in the previous review the GNSO Review Working Party had representation from the SOs and - from the SGs and Cs and observers from the SOs and ACs but didn't really have participation from the general community.

The previous review that the steering committees and working teams they had both representation from the stakeholder groups and constituencies but also involved the community but tended to be somewhat bureaucratic and unwieldy.

One thing that Council could consider is if we did go with a working group type of model is to have sort of a hybrid type of membership where we would have the standard membership of the stakeholder groups and constituencies that also have the mechanisms for the community to say be participants but perhaps not voting members might be a way to broaden the membership and - and then whether not there are sub-teams or work teams would really be up to the working group to decide, you know, based on the, you know, the implementation plan and the scope of the work and so on.

And then the decision making could be guided by the working group guidelines with perhaps say a full majority for certain types of things and maybe - and then here's the slide. I'll just skip over this slide and I've (unintelligible).

So moving right ahead. And here's where we're talking about decision making. But then recommendations could be full consensus or consensus support depending on, you know, the type of recommendation - so for the consideration of the culture - Council.

Also as you may all know, there is currently a group chartered to look at just changes to the GNSO operating procedures. That's the Standing Committee on Improvements Implementation. That really was a group that came out of

the first GNSO review and then it was re-chartered to look at requests that came in for, you know, possible changes to the procedures.

Since, you know, if the Council sets up this entity - this working group entity to develop an implementation plan, that would quite likely or possibly involve changes to the procedures.

And so down the line Council may also consider whether or not to re-charter the SCI, whether or not it should pause the SCI's work so that there isn't maybe conflicts between, you know, recommendations relating to the review that could results in procedures or, you know, procedural changes that might come into the SCI.

So in short, the recommendations under consideration for the Council is that this entity could be based on the working group model. And I think there's a timeline here just to remind people where we're at.

You know, we're talking about this issue now here. But, you know, perhaps a motion could be ready for the 21st of July meeting with a charter perhaps to be voted on for, you know, a proposed entity and then that entity, you know, can do a call for participation and the entity could begin its work and do an implementation plan; adopt a charter, implementation plan; and then bring that out for the Council's approval.

So starting in, you know, roughly in July with a motion and then completing its work for Council consideration say be December and this is just a suggestion so we have an idea of what's involved or could be involved. Thank you.

James Bladel: Thanks Julie. And I think that's aligned with some of the discussions we had, which is the idea that we would kick off maybe not a working group, maybe a drafting team or I guess we're just getting into semantics here. But the idea being that we would set up some sort of a lightweight team to develop the implementation plan between now and December.

That plan would be then submitted to Council for approval, ratification and then that would then be converted into probably a larger group or groups to proceed with the implementation with the required component that we would have regular updates.

I'm going to put out a kind of a wild idea here to the group just throwing this out here. You know, we had this discussion about just volunteer burnout and all of our communities being stretched to the brink particularly with transition related work and these big PDPs.

We could follow this approach. We could also theoretically ask staff to come up with a first draft of an implementation plan based on the previous rounds and then have either Council or a team put together to take a look at that and edit that.

You know, I mean it's just another way of doing that rather than creating and spinning up another group, which I know we are all kind of struggling to manage the groups that we already have and we're being asked to create another one.

I'm just putting that out there as another alternative path forward that gets us to the six-month deadline. I don't see anyone nodding. I don't see anyone smacking their head against the table either. So Wolf-Ulrich and then Marika.

Wolf-Ulrich Knoben: Thanks. Wolf-Ulrich speaking. Well first I found this custom paper very interesting and well was helpful with regard to the history and to see how it was developed in former times.

And I would agree -- so this is from my personal feeling -- to rely on a structure, which we already have in place and this is the working group structure. And it looks good because the framework is given and how it - how we should deal with (those) matters.

So we could do a (unintelligible) working group, could sit together and think about the modality, some of them with regard to voting levels and these things, consensus of - or have consensus of what else that they need. They could discuss that. But they should rely on that frame. So that's my first point and my feeling here.

I have another question is with regards to the - your suggestion to put the SCI on hold as long as the scope is going to work. Is that my understanding really because I don't see that the SCI just only is doing some work with regards to organizational issues. It's just with regard to procedural issues.

So the question for me is is that going to be discussed or where does it come from, how do you see that in relation to that scope? Thanks.

James Bladel: Did you want to answer that Julie and then Marika is next in the queue or Marika you can take both.

Julie Hedlund: So - this is Julie Hedlund for the record. Because we were thinking that perhaps some of the recommendations coming from the 2014 GNSO review might entail operational - changes to the GNSO operating procedures. Then we thought might possibly be then under this, you know, those would then be considered und the implementation plan.

And then, you know, for the implementation, you know, that could - I'm not making myself very clear. Sorry. I think the idea was that there would not - if you - if the SCI continued its work while this other entity is developing the implementation plan, if there was perhaps something that the SCI was requested to look at with respect to procedures that might have some relation perhaps to one of the recommendations from the GNSO review, you could potentially have a conflict or at least a need for coordination.

And so that might be one possible argument for putting the SCI on hold. But it's really just a suggestion for Council consideration, discussion. It's not something that would have to be done. And of course there would be the issue of what happens if a request arises that's not at all related as Wolf-Ulrich mentioned to the, you know, the GNSO review recommendations; you know, how would that be addressed. So don't know if that helps.

James Bladel: Thanks Julie. So we have a queue and we have just a few more minutes. So we'll go with Marika and then it's Rubens and Greg and then we'll (solve the topic).

Marika Konings: Yes. So this is Marika. As well to add to Julie's point, I think part of the reasons putting that point in on the SCI is that the SCI was of course created after the last GNSO review. So the question is is that, you know, has that group now come basically to an endpoint?

Now we're starting the implementation of the next GNSO review. And at the end of that implementation, you know, does the SCI gets reconstituted to also overlook the implementation or the post facts of that implementation and of course correct as needed or is it some other entity that at that point would come into play.

But as Julie said, it's something we're putting on the table for discussion. Also factoring in that having several groups looking at similar issues at the same time may also be an issue from a resource perspective.

The point I wanted to make is to your suggestion of potentially having staff producing the first draft, I think from a staff perspective we're more than happy to take that on. And, you know, I think one way we would potentially do is instead indeed of maybe having then a formal working group having a couple of calls where we just invite all the groups and say look, here are ideas and we'll just take that into our first draft, which then of course, you know, we'll go back for several rounds of review and consideration.

Another option would be to at the starting point talk to the individual working party members because they were of course closely involved in evaluating and reviewing the recommendations. And again, based on that input, we probably would be in a position to produce a first draft. But as said, that is really up to you to decide how you would like to manage that. We're here to assist as you think is best fit.

James Bladel: Thanks. And again, it's just more of a suggestion at this point. Rubens.

Rubens Kuhl: Rubens Kuhl for the record. There is one other model that I think is worth look closely, which is the Implementation Review Team. I think this is more tuned into Implementation Review Team than from a working group because what (unintelligible) to be implemented has already been defined.

And so it's possibly going to speed up with adopting the IRT model possibly including staff developing a communications plan. But the review (unintelligible) Implementation Review Team (sublet) this work instead of revisiting all the questions yet ever again.

James Bladel: Thanks Rubens. Greg.

Greg Shatan: Thanks Greg Shatan for the record speaking more as a former member of the SCI than anything else. And I'll note the current Chair of the SCI is in the room.

I think that to my mind it doesn't make sense to take a group that is working and that's coherent and cohesive and retire it. Rather I would think it could be a useful tool for implementing certain aspects of the plan that fall within its remit and perhaps needs, you know, to be looked at again as to whether it works.

But I think, you know, by and large it does. It's, you know, significant peculiarity as it operates by full consensus. So but, you know, the general feeling is that for the type of changes that it looks at that that's appropriate.

So I think I would - since I don't think the SCI is broken and since it does deal in this area, I think that, you know, using it and also making sure that there's an appropriate liaison or overall coordinated effort. I'm sure it'd be easy to avoid duplication of effort. Rather just kind of build it into the overall implementation plan. Thanks.

James Bladel: So Greg, just a quick question for clarification. You're saying the SCI would be converted or re-purposed to come up with an implementation plan or actually implement (this).

Greg Shatan: The SCI would be used as a tool. There would be an implementation - there would be a group but the implementation of actually debating and coming up with things that would then become procedure or changes to GNSO procedure; the things that traditionally fall within its remit would be done by SCI, which has experience in working through issues of this nature and has a, you know, self-selected group of people for whom this is the most fun in the world.

James Bladel: Okay. Thanks. I'm just saying we still have to come up with that plan.

Greg Shatan: Right. It's a tool, you know.

James Bladel: Yes.

Greg Shatan: It gets built into the plan by those building the plan.

James Bladel: Okay. Avri, you're in the queue so go ahead.

Avri Doria: Thanks. Avri speaking. And I kept putting my hand up and down. But I guess I don't actually understand why not just ask the SCI to work with the staff on putting together the plan.

I don't see anything in its charter that would prohibit it. You could certainly then have them bring the plan to the Council for discussion, approval before implementation. You do have a full spread of representatives there.

I'm another ex-member. And it's easier to say this as an ex-member than it would be as a member. But the people that are into these - dealing with these process issues are largely in that group.

And many of them aren't actually focusing necessarily on as many other things that many are. So I actually don't understand. And in terms of the full consensus, the charter of the SCI does say they can before any process decide that this one is not a full consensus process and re-jig their processes to do it.

So I don't understand why build a second group to interface to a first group that exists where you could just modify their charter a little. And I don't think it would take much to give them this as an assignment.

James Bladel: Marika wanted to respond. And I think we need to bring this one in for a landing.

Marika Konings: Yes. Just responding I think both to Greg and Avri because, you know, obviously we've looked at that. But the scope for the charter of the GNSO or the SCI is rather limited. It's really specifically focusing on, you know, GNSO operating procedures while the GNSO review recommendations go broader than that.

Then I think there's also the aspect of the way the SCI is constituted there is relatively limited participation. I think certain groups and we need to look at

the attendance records I think haven't really participated over the last couple of months. And we're happy to share that information.

So I think at least from a staff perspective we'll have some concerns about that. And looking as well, for example, at expertise, you know, the Review Working Party is actually the last one that has closely looked at this.

So we're hoping as well that any kind of new grouping or whatever form it takes would benefit as well from those that were involved in that particular conversation to that that on. So that's a bit of the staff's thinking.

And of course, you know, it's within your remit to reach harder at the SCI. And I'm not really sure - I think it is for consensus. I'm not sure that they have the ability themselves to decide that it's no longer - oh (they say here). Because that's something as well to consider of course at the end of the day for the Council how to adopt the eventual recommendations. So just from that perspective I wanted to share that.

James Bladel: Thanks Marika. And these are good ideas. I just want to note that we don't have to solve it today. This is part of our discussion for our Thursday meeting as well. But I think it is something that we do need to - we need to move fairly quickly on to get the plan turned around within the six months that we'll be given and the clock started this weekend. Is that correct? Or when we're notified that the clock's started.

Woman: Formal resolution will come up tomorrow I think.

James Bladel: Okay. So six months from tomorrow we need to turn in our homework. Okay. Thanks. Thank you Rinalia. Thank you for everyone who contributed to this. And do we need to stop the recording or can we must move directly into the next session were we discuss motions for our meeting on Thursday? Got a thumbs up.

Okay. So we'll just pivot right into that discussion. Do we have those queued Marika that we can load them into Adobe? (David)? So while we get those loaded. Thank you. Thank you (Lorisa). Yes.

Shall we - no, ready? How many - Marika, I'm wondering how many - oh, I'm sorry.

Woman: (Unintelligible).

James Bladel: Yes. I wanted to - I know we got two for certain.

Marika Konings: So there's three motions on the agenda for Thursday. I think the first one is the GNSO liaison to the GAC; so the extension of Mason's mandate until Hyderabad and was well the extension of the timeframe for the selection process for the next one.

And I think it also includes the reference to, you know, future work being untaken to ensure that there's a kind of uniform process that is used for appoints like a liaison as well as others that the Council may need to deal with now or in the future.

Then there's a second motion on the PDP Improvements Project. Staff provided kind of a final status update as a way of kind of closing out that project. Hopefully as most of you recall we've been providing regular updates on that effort. And this is our attempt to close things off.

There are a couple of items where we are suggesting that there may be some further staff work. And Don, that's the one that you see on the screen. And so just go to the resolve clauses. It's the easiest. There we go.

So I said there are a number of next steps that we've identified that you may want to task staff with undertaking. Amongst others development of draft guidelines for the use. And application for face-to-face facilitative to the PDP

working group meetings as well developing a survey to assess this familiarity that the committee has with and different newcomers and training cools as well as their perceived usefulness. And we're hoping that from that feedback you may be able to identify potential improvements.

And then the last one is the one that has been introduced by Paul in relation to the next steps – the creation of a drafting team to work on the reviewing the new bylaws provision in determining whether or not new provisions or procedures need to be created in order for the GNSO being able to an act those new bylaw provisions. That's it in a nutshell.

Paul McGrady: Thanks Marika. So we have three motions for consideration for our Thursday meeting. I noticed that only one of them had the second. Is that correct? The one involving the liaison. Is that correct? Okay.

And there was a – and I think you mentioned it. The reference to creating some kind of a uniform process for filling these liaison roles. There were new team roles I think we're anticipating as part of the bylaws that will be asked to fill a number of other roles. And I think having some sort of standing process that we can use. We don't have to reinvent the wheel each time. So that we all have the same shared expectation I think is valuable.

And you know even having that as a separate group whether it's a selection committee or whatever it is. Having that understanding that they would establish the criteria and manage the call for volunteers and so forth. I think that could be a valuable – I don't know if any of that is contained in the motion itself or if it's just kind of an idea that we can follow on if the motion is adopted.

But I think – okay. Now you've lost me. There we go. And then the other selling point here is a note about the revised timeline that would extend the nominations to October 1. That the consideration would go on the 20th of October. That the chairs that submit a motion with the recommendations by

the 29th and that this will be reviewed and ICANN 57 on the 8th. I know the GAAT can be informed on the 9th.

I think that this is as important time to note that if there are concerns about this particular process I think that we have a window here where we can change that before we put out for more nominees. Or call for more volunteers. We have – if we want to change the criteria. If we want to change the timeline. If we want to change the way that these groups are evaluated. Yes?

James Bladel: Yes this is (unintelligible). The council did adopt the procedure. So if you're really making substantial changes that would require technically a vote. However, if it's to the details and one of the questions was, are the applicants, those that apply, is that publicly posted and shared. That is the kind of implementation detail that is not spelled out in the procedure. That is something if there indeed an agreement to that differently I don't think there's any issue there.

But if your continued criteria on things may require you modify the procedure and adopting that again.

Paul McGrady: Okay. Thanks for steering me back on course. So I don't know if we want to discuss this any further. I know we had exchanges on the list. And I know that we have a motion that's friendly and are second. I think if we have any other discussions or edits that we want to make on this motion on Thursday been there is opportunity to do so. Yes. Move forward.

Man: I have a question for you on how to proceed with the motion. So especially from Paul. Do you expect any (unintelligible) amendment from us? Or is it going to be revisited by yourself? Or as we discussed this morning, or what can you expect?

James Bladel: Do you mean the motion from Paul?

Man: From Paul.

James Bladel: From Paul regarding the accountability implementation of the new bylaws?

Man: Yes.

James Bladel: Okay. We can move to that one. A different motion unless you want to talk about this one.

Man: The motion you're talking about this morning. Is it that one?

James Bladel: That's this one with the Whereas Clause 2. This is a drafting team to develop recommendations on the implementation of the bylaws.

Man: Yes. So my question was this morning the, I came up with the question in regards to the requirements from the legal point of view that you have put into that motion. I cannot see it right now. So the question for me was I found it was too much focus in that regards. So the question was that it could be faced with more general way. So I understood it might be discussion on that before we put that motion for discussion here. And now with my question as to how it is dealt with. If it's an hour late that you expect some friendly amendment from others to that. It should be an amendment to that or how are we going to do with it? That's my question.

Paul McGrady: This Paul McGrady for the record. So I put into the chat in the last session the proposal that we at least get some feedback on revising the two (unintelligible). The drafting team shall comprise volunteers from the GNSO community who possessed reasonable mileage or experience with the functions of the GNSO community and its policies and procedures.

                   And again, I'm in a weird spot because the initial draft that I got from staff was limited only to PC WG members. And actually my version number two was an

attempt to democratize it. But I'm in the weird spot of being told is not democratized enough.

If we propose this other language which is fine with me. I'm fine with it being like this. I'm fine with it being cut out. I don't particularly want to limit the participation of this drafting team. But at the same time I understand that staff doesn't want this 500 person drafting team to get all the work done in two months; right?

So I would just like some discussion around the table now if we can about how we solve the problem of making sure we don't have to staff a 500 person drafting team of people who don't know what's going on. But at the same time that we don't get bogged down for 10 months having an argument about who should be on this thing.

So I'm happy to take comments on that. And if not I guess I'll just do my best. But before I be quite I would also like to have maybe from staffers somebody who's direction would be in our community. A discussion of what would happen if we're not ready on day one; right? In terms of that does the empowered community go on without us? Or can they overall on our community not come into existence without us? So I'd like to have that tacked down so that we understand the relative urgency of getting moving as well.

So topic number one how do we fix paragraph 2? And then topic number two is what happens if we aren't ready on transition day? Thanks.

James Bladel: Thanks Paul. I know (Phil) you had your hand up but did you have any response to those particular…

(Phil):   I'd like to raise another concern about clause 3 as a result. I don't know if it's appropriate to bring that up now. And we had some discussion of this during the BC meeting, during the lunch break.

The BC understands the concerns and certainly fully support the intent of this proposed resolution to get ready having become aware of the significant changes for the GNSO and its role within the entire community is on the implementation of the transition and the adoption of the accountability procedures. However, you know, this Friday is July 1. Many members, many participants in this meeting are not going home immediately. Or if they're going home they're going to need some time to recover. It's going to take time whatever the size of the drafting team to constitute it. And there's extremely some pretty complex questions before the drafting team.

So to set a date for delivery of an implementation plan of July 31 which is 30 days from this coming Friday since both are unrealistic and unnecessary. I think we need to get this drafting team sufficient time. The only thing the transition can occur is October 1 of this year.

And second, the empowered community is something that arises when there's a board action that triggers a community reaction to constitute itself for the accountability procedure and escalation process which hopefully will never occur at the possibility of that happening. Well restrained the board but if it does occur is probably some distance in the future. So I really would hope that the author would consider, and I don't have a specific date in mind but a friendly amendment that says a much more realistic timeframe to constitute this drafting team and to get the drafting team sufficient time to come up with a sound implementation plan. Cause July 31 just doesn't seem realistic at all for getting this done.

James Bladel: Paul, you had your hand up.

Paul McGrady: Thanks. Paul McGrady. So the issue of the board going off the rails is one way in which the empowered community interacts. The other are baked into the articles of incorporation. The things so for example yesterday that were extreme to meeting. We heard that as early as the Copenhagen meeting were extreme to our jurisdiction could put forward a proposal that would

change the location of formation of ICANN. And in order for that to happen the empowered community has to agree to it. So my question is what happens at the GNSO is not part of the empowered community was something else besides the board is going off the rail happens where we care about that outcome?

So if the answer is the empowered community can't function without the GNSO Council we have to go through this process in order to for the empowered community to be actually empowered so that we are blocking it. That's one issue. It's another issue of the up our community who did get it together in time marches on without us. And so I'd like to hear about – I'd like to understand how urgent it is. Right now this is an urgent timeframe. What if there is a non-urgent timeframe that essentially we find out if the empowered community doesn't have any power unless the GNSO Council is empowered and has gone through this then that's another topic.

James Bladel: Marika wants to take respond and then I have Steve.

Marika Konings: Yes this is Marika. On the timing issue I think everyone's aware on the some of those powers may not come into play until a much later date. And there may be others that indeed could come into play at an earlier stage. Our comments from the legal team is I've actually offered to assist in that effort. With regards to looking at indeed all those new procedures and try to indicate what has priority over all. And what may happen sooner than others. And that may get the drafting team and all the ability to kind of first maybe look at those aspects that may come up at an earlier date than a later date.

But as I understand and is not a requirement that these procedures and processes are in place at the transition date. But of course the sooner the better because it means that we can actually use those. Is going one more point as well on the language that is suggested by Paul. Because I think based on the staff perspective we still have the same concern. Because who decides whether or not volunteers have sufficient or demonstrable,

reasonable knowledge. And as someone going to tell volunteers, no, you don't have that.

So as I said I don't think we ever suggested that it should be limited to CCWG members. I think we initially suggested that might be an example of how someone can demonstrate experience. But as I said the alternative is that we suggested that actually quality is (unintelligible) in all the groups and constituencies. No limit on numbers but having stakeholder groups and constituencies identify within their groups would they think me those criteria and putting those individuals forward.

James Bladel: Thanks Marika. Steve?

Steve DelBianco: Steve DelBianco. Members of the CCWG and Paul. I appreciate the attention that's paid on GNSO and its Council answering with the bylaws that is required of us to do. Because on page 42, Section 6(1) of the brand-new bylaws; when they become, effective that is. There are six things that GNSO needs to do, and the Council is the GNSO's management body. So you're right. The Council does need to work out how to submit a petition, the process for an individual to do a petition. How to inform the empowered community and what the GNSO position is?

And our challenges might be unique. The GNSO perhaps doesn't run the same way. ARAC doesn't either. So you're right about focusing on this. But (unintelligible) is right. We can be relaxed about the timing. There is nothing at day zero. I suppose the earliest day zero would be is October 1. There is nothing requiring the empowered communities to take any action then.

I don't have any visibility of one the first time one of our powers are being invoked. And the guy sitting next you Greg I think can help you to be more relaxed about I think the high (perbaly) of ICANN changing its location for the (Hiderbod) meeting. Unless wherever you heard that.

James Bladel: I said Copenhagen.

Steve DelBianco: Got it.

James Bladel: And I heard it yesterday when it was on the slide.

Steve DelBianco: And that might have been yesterday morning, work stream two. Maybe somebody was going through visions for that. But even if we had visibility that a bylaw change was coming, the time necessary for the GNSO to work out procedures to do the six things on page 42 of the bylaws is a lighter less than your anticipating. The Council itself frequently confronts brand-new challenges with the board right to Council a letter and I watch all of you work out how to come up with an answer as you consult with your respective constituencies and you come up with an answer. That is the mechanism by which you would need to respond if the empowered community had to suddenly come into being and say what say you. Should we approve this bylaw? You would work that out. Even if your resolution had never been there we work that out in the Council because you do it all the time.

But having said that, I support your resolution. I think we ought to get to work on our procedures so that they're already ready if they are needed. But please be relaxed about the timing. And let's not (unintelligible) point try to jam something in the next four weeks. Thank you.

James Bladel: Thanks Steve. Heather you are up.

Heather Forrest: Thanks James. And thank you Steve. I suppose my point is less about timing. But I do have some concern that there's an assumption here that Council is the right body to be dealing with this stuff. There's nothing in the bylaws currently and certainly we haven't and our role as policy manager managed this sort of process what we're describing. And I guess while on the one hand you might say that there's a natural assumption that this falls to Council. This also an equally natural assumption that it doesn't fall to Council. So I think

that potentially, and Paul can correct me if I'm wrong. But I think that's part of the motivation here.

If this isn't just jamming the solution but it's have a discussion to try and figure out what the solution is. I mean the solution might be Council. So again, I'm not speaking so much from the time. But I'm speaking to the rationale behind this. And again, if I'm wrong Paul will correct me. Thanks.

James Bladel: (Phil), is that a new hand or an old hand? Okay. Great.

Greg Shatan: Greg Shatan for the record. First and I think Heather actually said a lot of what I was going to say which is that I think the very reason for this motion as I understanding having seen it and its germination phases was to work past the blind assumption that Council assume all the roles of the GNSO in the post-transition ICANN. But rather it needs to be sorted out properly by a group.

I do agree that 30 days is an insanely short time to try to sort that out especially since nobody really get started on this until July 7 at the earliest. And it takes three weeks to even get up to speed. And by that time you're done. I think Tom and Sam said you really almost don't even need number two or for it to be very loose. Just so long as you give people in there who aren't going to try to start the whole thing from scratch.

And on number three you don't need – just pick a date. But it needs to be for all appropriate speed that needs to get done. So whatever needs to be done to change for the Council or the movement to motion these two things up to get past these procedural road bumps into actually getting chartering this group it should be done. It seems like the two concepts are well whipped and I'm just whipping them further.

James Bladel: Thanks Greg. Okay. So I have Volker and (Ed) in the queue. We have one and a half minutes to get through all of this. We have time to talk about this I

believe on Wednesday and on Thursday. So I don't want people to feel like speak now or hold your peace. We do have some more time to work on this. So we'll go to Volker.

Volker Greimann: Thanks James. Just briefly a response. What Heather said. I had attempted to preempt the work that drafting team. But I am cautious of establishing parallel structures to the GNSO Council especially with the (unintelligible) of volunteers and people that are able and willing to give their time to such groups.

I will be off the (unintelligible) at that time so it would not help me. But basically I would encourage again having a parallel structure to try to integrate this role as much as we can into the Council but that's for the drafting team to decide I think.

James Bladel: Yes, thanks Volker. And I think you and Heather have both made some valid points that the actual work of the drafting team will probably have to consider and not something that we need to necessarily volunteer in the process of standing up the drafting team. And, did you want a quick response here?

(Ed):   Very quick change. First of all thank you all for bringing this up cause we do need to do with this. There is no rush but I think we should avoid the situation with the empowered community comes into existence and we're not ready. Let's just do it.

Number two, the prime concern I have there is I want to make sure that would ever team we put together this equality participation among all stakeholder groups. We don't want to create a drafting team that's tilted one way or the other. Too many registrars, too many commercial folks, too many noncommercial folks by virtue of what we put in disqualification. Some groups here are lawyer heavy for example.

So if we were going to say you need to have experience in drafting that's going to give them an advantage. So I want to make sure we put the two together whether we do it on Council. Whether we take Heather's suggestion and maybe open up the bid that we do have a quality and participation in numbers between the various stakeholder groups. Thanks.

James Bladel: Thank you. And I think we're starting to complete the drafting team and the actual empowered community of participants or decisional participants I think at this point. But to Paul's point you have your hand up real quickly. I'm just trying to bring it in for a quick landing because we also have another motion that we didn't even talk about which I'm assuming is just so noncontroversial. But no one cares.

But quickly I think we can probably tweak number two. As I understand what you were trying to do Paul. You were trying to blow away the requirement that you would have to serve on the CCWG in order to be eligible for the drafting team. But I think we can say something like we could put other calls to the stakeholder group and constituencies for volunteers. And we can limit it. We can say no more than two to adjust that point. Or some number. No more than X volunteers from each stakeholder group or constituencies. And they are encouraged to have experience and knowledge with these procedures and bylaws and the GNSO policies.

And that hopefully addresses Marika's concern that that is going to have to police everyone's TV and make sure that they've got some experience in that regard. Without overloading it in one direction. But I think the key is it may not be 30 days but we do need to move quickly. We don't want to sit on this. And we don't want it to train to be the station without the GNSO on board. In fact you will question whether or not it was a complete train without it.

So Paul you are next in the queue. I didn't mean to hijack the conversation. But I was trying to gather all the pieces I think that we hearing around the table and synthesize something like a path forward.

Paul McGrady: I just wanted to thank everybody for the great suggestions on how to improve this. And will go back to the drawing board a bit of figure out a way to the revised version in front of everybody in time. Thank you.

James Bladel: Just a question, point of clarification poll. Would that include also the date that's in Whereas 3? The July 31st date?

Paul McGrady: Yes.

James Bladel: Okay. Thank you. And then we had a third motion. I believe it was on – can we scroll to it?

Marika Konings: PDP improvements or the gas liaison?

James Bladel: Oh, we covered both of those. Okay. Up that there was one we haven't touched the PDP improvements?

Marika Konings: I think they basically were no comments. I don't know if they are but I did cover it in my…

James Bladel: Do we have a Wednesday session prior to our meeting on Thursday to address? Okay. So I would ask is because we a few minutes early and I know we have WAC here. We have WAC here for the next session. So can I ask of the folks to take a moment to read through particularly those other two as well as Paul has mentioned he's going to tweak the language of this one and we can redo the other two emotions that come to the Wednesday session prepared with any further questions or edits that you might have in mind.

                  Okay. Do we need stop the recording and moved to the…? No. Just go. So we're going to go on to the next session. And I believe it is our last session. Is that correct? From 2:30 until the top of the hour.

This is continued to discuss work items that are associated with the transition. And there are two in particular, to topics in particular that I think we need to cover. One is Donna has actually --, we talked a little bit about the CFC. I don't know if we want to cover that a little bit more in depth this afternoon? Or if you felt like we gave it sufficient treatment this morning?

Donna Austin: The only thing I would say is Julie is in the room now and might have some additional information. But I think it's probably more a question to move forward and the rest of the selection committee about whether they've got more information to share.

James Bladel: Okay. So maybe we can just part that for a minute. I think we're saying we really don't have anything to add to this morning's update.

The second item – oh, go ahead Julie.

Julie Hedlund: I'm sorry. This is Julie Hedlund. I'm sorry. The CFC on selection committee is endeavoring just on a time to meet at least most of the members if we can this week prior to the Council meeting. And that this item is also on the agenda for an update at the council meeting. And we will indeed have an update for you there as well. Thank you.

James Bladel: Thanks Julie. The next item and I just said something to the Council about an hour ago. So I know no one seen it. And if you've seen it I know you haven't read it. But why would you. It's kind of one of these 11th hour type things. But once you make the Council aware of and (unintelligible) maybe you'd like to come to the table and help me grab some discussion around this.

The transition has as many of you are aware has encourage significant cost. Some of which were originally anticipated and some of which I think it's fair to say were grown be on what was originally anticipated. There is a plan underway to estimate and allocate costs for the remaining work elements of

the transition including work stream two. And highlight those in the fiscal year 2017 budget. And then stop me when I go off course to put together it plan that would begin to track these costs and report them in a transparent manner to all of the chartering organizations so that we have a very clear understanding of what's going on so essentially that we don't get to the end of a project and then find out what the price tag was, that we see this going on throughout the process.

There are other components as well including giving some discretion to the co-chairs of the CCWG to allocate costs according. So for example if they feel the need to have a face-to-face meeting, they can make that decision.

But if they feel the need to have a second face-to-face meeting, then they might have to make some tradeoffs somewhere else in that budget. And that all of this would have to be signed off on by the chartering organizations, including the GNSO.

So in some respects, this is (Xavier's) organization giving the community some power to - not only some visibility into these - into the costs associated with the transition but also some management ability at the community level by the chartering organizations and by the co-chairs to actually manage these costs.

So I don't know if I teed that up correctly or properly. Xavier, if you want to fill in the blanks there. Take it away.

Xavier Calvez: Thank you James. It was a good overview.

Just to give a bit of context, in Marrakech we have worked with the co-chairs and with the Board Finance Committee to try to determine a way forward on the management of the expenses of this project.

Marrakech was also the time that we had published the draft FY17 budget and in this budget we had not included any budget for this project on the basis that we didn't have at the time enough information to estimate costs.

So a group was put together in Marrakech to help produce estimates. And that group -- called the PCST, the Project Cost Support Team -- has worked between Marrakech and now to produce estimates and has worked with the co-chairs to do so.

As a result, a budget has been put together with an assortment of assumptions in it that has been shared and submitted to the co-chairs of the various groups but mainly the CCWG which they have endorsed. And the CCWG has transmitted to the chartering organizations this budget as a request as James indicated, for the chartering organizations to review and approve this budget.

While this is happening and while this approval from the chartering organizations is pending, the board has nonetheless requested that the envelope of - that's been submitted -- which is 9 million for FY17 -- is included in the budget but under condition that DSONAC chartering organizations approve this budget and that cost control mechanisms are being put in place.

And James just alluded to a few of those, one being first that there is a budget owner associated with each of the components of this project as it relates to the WS2 part of this project. We also need that there is a budget owner assigned in the proposal that's in front of the SONAC chairs for consideration that there is a budget ownership defined.

And that budget ownership means the ability to make tradeoffs of the resources within the budget envelope in order to keep the costs within budget. It also means where you're a budget owner you have also the ability to raise the issue of needing more funding to be able to conclude the project.

But obviously that's an exception rather than a rule and the rule is to try to manage the cost of the project within budget.

I'll stop here to see if there are any questions.

James Bladel: Just some highlights and then maybe we can throw it open for discussion. I think it's worth pointing out that the source of these funds is ICANN's reserve fund. That's what we're being asked to essentially sign off on.

And that there is some discussion about what the correct level of reserve fund would be in terms of - for an organization like ICANN. I understand there is no right answer there. It is somewhat a matter of opinion. But we would dip below I don't remember the exact figure. We would dip below that. So that's one thing to consider.

But we are being asked I think as a chartering organization to review this proposal and to essentially sign off on it probably by our July meeting as a way of putting some backstop on these costs for Work Stream 2 so that we don't have a similar experience that we did for Work Stream 1 which -- without throwing too many rocks -- was not a good experience I think financially. And I think that's the understatement of the meeting right there.

So I - Xavier, you want to jump in on that and then I think we have a couple of folks that want to weigh in.

Xavier Calvez: Yes. Thank you James. The context of the expenses is that as you know they are being funded from the reserve fund since the inception of the project of FY15, FY16 and now FY17. The expenses are funded from the reserve fund simply because there's no room within the annual operating budget to fund such a large project which is the reason why it's funded by the reserve fund.

To put some context around what we're just saying, at the beginning of this project the reserve fund of ICANN was approximately 88 million. After FY15,

16 and 17 expenses of a total of approximately 37 million, the reserve fund of ICANN will be more looking like 51 million.

The current policy for a target level of the reserve fund of ICANN is approximately 12 months of operating expenses which is also - I think the ITC has provided some perspective of they believe the industry standards are close to that. Twelve months of operating expenses of ICANN as per the FY17 budget is approximately 130 million.

So 51 million versus a handwritten 30 million, we are very short of what our target is to a very large extent. And this is a concern and it needs to be addressed. So that's the framework under which this budget of the INF (unintelligible) transition expenses is also looked at.

James Bladel: Thank you Xavier. Paul?

Paul McGrady: And then Paul McGrady for the record. Just a quick question. Is this - are we talking about a governance issue that is purely internal or do we have - and again I don't know the answer to this at all - but does ICANN have financing arrangements that has covenants or things like that that we're coming close to? Or is this just purely an internal we think it should be X number of months and we're going to - we want to hit that target. Are there any third parties that are putting pressure on this? Thanks.

Xavier Calvez: No. There is absolutely no external covenants of any kind. ICANN does not have any external funding liabilities. We don't have debt, right? The 12-month reserve fund is current policy of ICANN but it is also the best practice among nonprofit to have a reserve fund to ensure the stability of the organization and its ability to carry out its mission.

So it's a governance from an internal standpoint as a best practice and it's not a contractual requirement of any kind that drives that requirement.

James Bladel: Stephanie?

Stephanie Perrin: Thanks. Stephanie Perrin for the record. Just a naïve question. What happens if the funds are gone? How does ICANN reach out and to whom for more money because the lawsuits likely won't bend so?

Xavier Calvez: I can have a politically correct answer and I can have a very challenging answer to that question. If ICANN would have no funds left and there is a major unplanned and unavoidable expense, we have no recourse. That's the whole point of the reserve fund, is that it's the - it's when everything else has failed, this is what we have as a reserve to be able to face unavoidable expenses. So if we would have no funds and we have a 50 million lawsuit, what do we do?

There - ICANN currently has other funds that it manages that are earmarked for specific purposes. We have the new GTLE program fees that are not yet currently spent on the program which are earmarked for the remaining expenses of the program. Would there be left over from that program? Possibly. We don't know as of yet.

ICANN also has the auction proceeds resulting from the new GTLE program that are earmarked for specific purpose to be defined but those funds exist today.

If there would be an absolute emergency that exceeds the capability of the operating and reserve fund combined together which is 18 million - so if we would need to spend more than 18 million in a very urgent fashion -- difficult to fathom -- then we have other funds but they are earmarked for something else.

They're not earmarked to sustain the stability of the organization so that would be our problem.

And I'll just say we're already in a situation where we're very much below the target level to an extent that I consider a problem and the board considers a problem and the community should consider a problem and does. The ITC has stated that opinion for example that they consider the fact that we don't have a reserve fund that has - that is at the appropriate level even as per industry standard is a problem.

James Bladel: I thought I saw some other hands go up. Paul? Oh, you did. Okay. And then (Jonathan). (Jonathan), go ahead.

(Jonathan):   Yes thanks Xavier.

I thought you elucidated those other parts well clearly but I guess the one point I'd make, your example was what if we were to see an X million dollar lawsuit.

And I guess my understanding was that the remainder of the new GTLE auction fund - or new GTLE application funds were in a sense specifically earmarked to deal with potential litigation in respect of new GTLE issues. So to the extent that the litigation wasn't in any way associated with new GTLE issues, then perhaps that's - so that's the only sort of - and then obviously as you said, new GTLE auction funds are an entirely separate issue today.

Xavier Calvez: You're correct. The funds resulting from the application fees of the new GTLE program are there to cover for potential risks associated with the program. And Stephanie's question, I was simply taking in the prospective that if there would be a lawsuit for example that doesn't pertain to that program, then those funds that are earmarked for the program are not supposed to be used for that purpose. So that was the hypothesis that I was using for answering Stephanie's question.

James Bladel: Anne, you posted a question to chat. Would you like to come up to a microphone?

Anne Aikman-Scalese: Thank you James. Anne Aikman-Scalese from the IPC and my question relates to how the budget amount is allocated. Perhaps I should know this since I participate to some degree on the CCWG.

But there are nine topics and one of the topics is a possible change in jurisdiction for ICANN. And the question is about the budget related to legal fees because I think legal fees are a very significant part of the original transition analysis.

And based on yesterday's presentation, there would be very significant legal fees incurred in trying to analyze the sort of a conversion to a different jurisdiction.

So - the question is about the allocation among the nine topics and the possible need to incur very substantial legal fees for a jurisdiction change analysis.

James Bladel: So Xavier do - that's an excellent question from Anne. We would just - this proposal would simply give this block of funds to that group. And then for example if they found themselves going over in legal fees, then they would maybe forego other expenses like related to travel. They have the ability to move things around to the different buckets or do they have -- as Anne suggested -- they're allocated in advance?

Xavier Calvez: So the current budget is formulated at the level of - within the 9 million there's basically estimates of 3 million for the WS2 in its entirety. There - in that 3 million there are staff support costs. There's travel funding for three face-to-face meetings during FY17.

There's - in total 1.4 million of that 3 million is for legal advice. That 1.4 million has not been broken down into the pieces of each of the nine topics and that

would be the work of - through the nine topics that would lead to determine the specific legal advice needed for each of those topics.

At the time this estimate was put together, there was not sufficient visibility as to the content of each topic to determine then how much legal advice would be required for each.

So the envelope of 1.4 million -- which is actually 1.2 million plus a contingency of 200K just for legal advice -- is for the entire set of the nine topics. And some may require little legal advice and others may require more legal advice. But the envelope is for the whole thing.

And to James' point, if for some reason the work would demonstrate that some of those topics require more legal advice, then the 1.4 million allows for the ownership and control of the budget by the co-chairs if they would accept.

It would lead them to maybe consider saying, "Well you know, maybe we're going to cancel a face-to-face meeting and we are going to use that money to have more legal advice on this specific topic because that's what we think we need."

So that's a role and a responsibility and control mechanism that exists that if we agree together to put the budget ownership with the CCWG should they accept it and should the chartering organizations require that this happens.

James Bladel: Anne, does that address your question? Thank you. I don't have any other hands in the queue.

Any other questions for Xavier? Oh sorry, Stephanie. Had her name badge flag there.

Stephanie Perrin: Stephanie Perrin and I realize I sound like my usual one-trick pony but just wondering if you have calculated in your risk assessment

what a lawsuit under the new European directive regulations for data protection would be against ICANN were there to be a large class-action suit in - globally really. That could be a very significant amount of money, in my view.

Xavier Calvez: Thank you Stephanie and thank you for your interest to look at these topics from a risk management standpoint.

At ICANN I am in charge of risk management as well. The - in our risk management - or risk assessment exercise which we carry out on a quarterly basis, we have among the risks obviously the lawsuits. And legal exposure is a risk. I'm not necessarily going into the details because it would increase the risk. But this is obviously something that we monitor.

However, we have not at this stage formulated scenarios at the level of detail that would allow the quantification of a potential risk which as you know is obviously quite speculative anyway and could be very broad in sum.

But this - we have a bucket of risks that allow us to capture the topic. The quantification of a potential impact hasn't honestly been formulated specifically for the type of issues that you've described but more generally speaking.

And certainly in the exercise that separately the board has been carried out to evaluate and rationalize the need for a reserve fund, legal exposure is obviously an element that's been taken into account for the rationale for the reserve fund, as it should because that would be where we would want to fund expenses that are not planned for for any legal exposure, whether it's for that purpose or any other purpose. Thank you.

James Bladel: Thank you Xavier. So we have four minutes left. Any other questions for Xavier on this point? Otherwise, we can wrap up this discussion. Ah yes Paul.

Paul McGrady: The reserve fund is dollars, right, not pounds?

James Bladel: Ouch. I kick them when they're down. Could be euro.

Xavier Calvez: It is dollar denominated. It is invested in various securities including
                  international securities but it's denominated in dollars.

Paul McGrady: Okay.

James Bladel: Yes (Lori). You want to come to the table?

Lori Schulman: Thank you. Hi Xavier.

Xavier Calvez: Hello.

Lori Schulman: Hello. As you know, the reserve issue is near and dear to my heart too.

                  My question is this. We've identified this as a serious governance issue. That
                  it is. We've talked about the board reviewing the policy moving forward.

                  But I wonder if from a practical perspective in terms of figuring out next year's
                  budget, has there been any talk of an actual replenishment plan, how to start
                  replenishing the reserves now even before the board figures out what it thinks
                  its next moves are going to be? Or is everything contingent on the board
                  plan?

Xavier Calvez: Thank you for this question and thank you for the interest in the topic. This is
                  very helpful with also the rest of the community that you raise this topic.

                  So the - we're hoping that the board exercise is going to be concluded quite
                  soon in the next few weeks. And when I say concluded, it's concluded so that
                  it can be shared with the community for commenting.

And so that exercise will suggest a number of options for replenishment, both in the short circumstantial term of where we are today but also as a policy in governance on an ongoing basis. So but that's a - that's - the two purpose of on a permanent basis that as well with the current situation that we find ourselves in. So that's over the next few weeks and months.

I would argue that and hopefully that will be materialized as such that by the end of the calendar year we will have a plan for replenishment, whether it's immediate actions translating into a replenishment or a plan for a replenishment.

Then we will have closed by then the books of FY16 over the next few weeks as well. FY16 finishes in six days from now, three days from now. I don't remember what date we are.

And that year, that fiscal year, will close for ICANN with an excess from an operational standpoint. So if we exclude the expenses that are funded from the reserve fund, the rest of the operation of ICANN will show an excess. That excess will need to be considered for what do we do with it and obviously…

Lori Schulman: The reserves.

Xavier Calvez: …the natural - it's not just a matter of common sense. It's also a matter of our investment policy that states that any excess of the operating fund -- which is where any excess of the operations on an annual basis would find themselves into -- any excess of the operating can and should be allocated to the reserve fund if it's considered in excess of the requirement of the operating fund.

So that would be the natural path to be considered relative to an excess generated out of FY16.

Lori Schulman: Thank you. Can I follow up James? Would you mind? Lori Schulman. I didn't
                  state my name for the record. I apologize.

James Bladel: Can I interrupt for just a second…

Lori Schulman: Yes.

James Bladel: …because we've got people leaving. I just want to point out that we - they are
                  beginning the first of the cross-community sessions in Hall A which is
                  probably why we see everyone trying to pass me up. But while we have
                  Xavier, let's…

Lori Schulman: I just wanted to make a comment to make sure it's on the record that the
                  industry standard for nonprofit reserves in the United States and I don't know
                  if it's a global standard but I absolutely know it's an American standpoint is 90
                  to 110% of your operating budget. We're down around below 60 I believe,
                  almost at 50.

                  So this is really critical. I can't emphasize the importance of this issue to the
                  entire ICANN community. If it doesn't get fixed and fixed currently, we're
                  going to continue to have these issues for a - the foreseeable future.

James Bladel: Thank you (Lori). Xavier, go ahead.

Xavier Calvez: Just to be precise. We are around - at 40% of the target.

Lori Schulman: Yes (unintelligible).

Xavier Calvez: So it's even worse than you are saying.

James Bladel: An honest response. Thank you. We'll go with Klaus. You'll have the last
                  word.

I just - I want to point out that the reserve fund is the heart of the problem. I think what we're being asked to do as a council is to sign off on the idea that we should - or this proposal that we should be tracking and reporting these expenses and giving some discretion to the chairs.

And I think that is something that, you know, hopefully will go at least to stop the bleeding, maybe not replenish the reserve fund but at least, you know, put a tourniquet around it.

Klaus will give you the last word but as you can see, the room is already starting to empty out so briefly.

Klaus Stoll: Thank you. The people who want to hear will hear. The point is quite (unintelligible). Xavier, you mentioned about the board pursuing the exercise how to replenish. I think it's not only a board problem. It's a community problem. And I think we should find now ways that the community can also think how - what can we do to help to solve that problem.

Xavier Calvez: And that's exactly what the board is intending to initiate when they offer for community input the draft of the outcome of the exercise that they've conducted of rationale, target level and governance for the reserve fund. There is also options for replenishment. And community input is going to be required so that we work together on making that happen is the bottom line. Thank you.

James Bladel: Thank you Xavier and for those who are diehards who stuck with us to the very end. Thank you. We're going to shut down the recording. Just a couple of quick housekeeping announcements as we mentioned.

The first, first ever of the cross-community discussion sessions is happening I believe in Hall A, next door. It's on the next generation registration data system services - directory services. And that is going to be led by the RDS

team including our latest inductee Chuck Holmes, Hall of Fame, Multistakeholder Hall of Fame.

And then after that will be another session which is going to be led by (Phil) and by Kathy Kleiman on the review of rights protection mechanisms. And that will basically take us to the afternoon where you have received from (Glen) a card inviting you to a reception on behalf of the City of Helsinki.

So that's a pretty full agenda. We have meetings as a council again on Wednesday morning with the GACs. We have a Wednesday morning prep session where we've invited the CCNSO to join us for the last bit of that for some refreshments and some discussions.

And then Thursday we have our actual council meeting including a wrap-up session.

So did I miss anything? And those are the highlights for the week, right?

Woman 1:   (Unintelligible).

James Bladel: (Glen), do you want us to hang on to these cards or turn them back in? (Glen) left.

(Mary):   (Mary).

James Bladel: (Mary) is going to collect them. So make sure (Mary) gets your tent card please. Thank you everyone. Hey look at that. We did a weekend's work - a weekend's worth of work in five hours. Thank you.

END