

**Transcription ICANN61 San Juan
GNSO: BC Open Meeting Part 1
Tuesday, 13 March 2018 at 15:15 AST**

Note: Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record.

The transcriptions of the calls are posted on the GNSO Master Calendar page <http://gns0.icann.org/en/group-activities/calendar>

Claudia Selli: Thank you very much everybody. And welcome to the BC Open Meeting. I would like to - so the recording has started. And we'll just around the table so that everybody can introduce themselves. I'm Claudia Selli, AT and T and BC.

Jimson Olufuye: Jimson Olufuye, Vice Chair Finance and Operation and Chair of Aficta.

Paul Mitchell: Paul Mitchell, Microsoft and BC.

Tim Chen: Tim Chen, Domain Tools.

Chris Wilson: Chris Wilson, Amazon.

Alex Deacon: Alex Deacon, Motion Picture Association of America.

Arinola Akinyemi: Arinola Akinyemi, the registrar.

Waudu Siganga: Waudu Siganga, representing Aficta.

(Paulo Milijakie): (Paulo Milijakie) from the Brazilian Software Association. Sorry to be so loud.

Mark Datysgeld: Mark Datysgeld, governance primer consulting Latin America.

Susan Kawaguchi: Susan Kawaguchi, CNA Consulting.

Marie Pattullo: Marie Pattullo, AIM, the European Brands Association.

Barbara Wanner: Barbara Wanner, US Council for International Business and BC ExCom.

Zak Muscovitch: Zak Muscovitch, Internet Commerce Association.

Faisal Shah: Faisal Shah, Appdex.

Denise Michel: Denise Michel, Facebook.

Steve DelBianco: Steve DelBianco, Net Choice.

Cheryl Miller: Cheryl Miller, Verizon.

Ozan Sahin: Ozan Sahin from ICANN org. I'm managing the remote participation. I'd like to kindly remind speakers to state their names before speaking, thank you.

Claudia Selli: So let's start with Jimson. I will give you the floor. And we wanted to start with a positive note and give some recognition to a very active member of the BC.

Jimson Olufuye: Thank you very much Claudia. And good afternoon everyone. At this section we would like to recognize two of our past officers in the BC. I think keeping

with our tradition for every officer that's out there's always a period for recognition.

And right now I would like to invite just to my side, our dear colleague -- or former colleague -- yes, you're still a colleague you know, in the community. Phil Corwin, please will you come? Phil Corwin.

Phil Corwin: Thank you Jimson.

Jimson Olufuye: So Phil Corwin will be recognized and also Chris Wilson for his service. As a background, you know, Phil Corwin, and I will just read this as we present a plaque to him.

Phil Corwin served as a member of the BC -- representing the Internet Commerce Association -- for a full decade, from May 2007 through late 2017. He was elected to represent the BC on GNSO Council in January 2015. To complete the remaining year of a resigning councilor. And then was re-elected to two full terms in 2015 and 2017.

During this period, he was also asked and agreed to take on the additional responsibility of serving as interim BC Chair for a year period. Through his busy tenure, Phil contributed to nearly every policy discussion we engaged in. And in 2015 was a member of our Executive Committee. As a counselor, he was very articulate and an effective advocate for the (busy) positions. And as interim chair, he helped keep BC administration on course.

We really, really thank Phil for his many valuable contributions to the BC. And we sincerely wish him role in Verisign's law department as well as in the Registry Stakeholder Group. I would to now invite the chair of the BC and ExCom to just come forwards so that we can present this to Phil and take a picture.

((Crosstalk))

Jimson Olufuye: Okay. So Phil, you take a moment, give a response?

Phil Corwin: Thank you Jimson, thank you Claudia. And thank you all the members of the BC for honoring me with this very impressive plaque, which will sit on my bookshelf in Reston, Virginia in my new office.

And really thank you for honoring me for the positions you elected me for, for asking me to serve as interim chair, and most of all for your friendship and camaraderie throughout the years. You know, I've been involved with ICANN for over a decade, but the BC was my home at ICANN. And you were all my friends. And you're still my friends, you know, and let's not let that change.

So I'm now four months into a very different role. I went from fellow practice on the non-contract side to working for a thousand-person corporation. And with a big legal and policy team. The - and there's advantages and disadvantages to both. But the BC is a great place. I'll never forget my work here and all that we got done.

And I want to mention one of the best things about the BC for me is not just the quality of the work and but also the commitment to principle. And in particular will always be appreciative that the BC -- in regard to the issue of URS being imposed on legacy TLDs through registry agreement renegotiations -- stuck to its principles.

And even though most BC members would favor URS at legacy TLDs, you took the good position that having GDD staff push for it in negotiations before the community had made a consensus policy was a very negative precedent. And that's something you wanted to support. So I really appreciate that commitment to principle in regard to everything else.

And I can't -- now that I see Marilyn down there -- I can't help but also note that -- when I first applied to join the BC to represent ICA -- Marilyn had me

thoroughly vetted by all the three-letter agencies. And that they - I'd successfully covered up my sordid past and passed the past. And that the domain investment community was welcomed into this constituency.

So thank you again. I'm going to stay because I want to hear Chris honored, because it was my pleasure to serve with him as well. And then I'm going to go back up to the contracted parties meeting with the Board, which is a whole different perspective than our meetings.

But thank you all. Thank you so much for this. Thank you for all of the support throughout the years and your friendship, and I look forward to keep - to working with you on many more issues in the weeks and years ahead. So thank you.

Jimson Olufuye: Thank you very much Phil.

Phil Corwin: I'll just step back in...

Jimson Olufuye: Yes. Next is Chris Wilson. You know Chris. Chris is a seasoned public policy professional who has been involved specifically and specially in the Internet Governance Work for nearly ten years. Chris currently coordinates internet governance policy for Amazon.

Chris -- as you also know -- has represented to 21st Century Fox and Time Warner in various governance issues. Internet governance issues and venue including ICANN. Chris is a firm supporter of the multi-stakeholder model of internet governance.

And I think Chris got point in the time of BC, Chris had the pleasure of chairing ICANN's business constituency from November 2016 to May 2017. And where he did an excellent job. Very excellent job for it. May I invite Chris forward to receive a plaque of recognition. Thank you. Oh, perhaps Chris want to say something.

Chris Wilson: Well thank you Jimson. And thanks to the BC for honoring me. It was really - frankly, it was my pleasure and honor to help lead the BC for the period of time I did.

I know -- and I've experienced -- I know at Amazon I'm having an opportunity to sort of get a little bit of visibility into some of the other constituency and stakeholder groups. And I can safely say I know of no more dedicated group of professionals -- adults -- than the Business Constituency. So I'm thrilled that I can still be a part of it and work with you all on policy.

You know, through the hard work - collective hard work of everyone in this room and even those that aren't here. You know, the BC has a very strong voice within this community, and it was my thrill to be able to lead it for the period of time. So just thank you all very much, I appreciate it. Thank you Jimson.

Jimson Olufuye: I know that everyone will have loved to say something, really. But the interest of time I hope I've spoken your minds with this citation. I will pass this back to the Chair.

Claudia Selli: Thank you Jimson. Absolutely, you have represented us very well. So in the interest of time I would move then to the next item and to the policy discussion. Is that fine? We...

Man: Thank you.

((Crosstalk))

Steve DelBianco: Steve DelBianco speaking. We'll be able to get through this pretty quickly thanks to all the great team work of the BC. You guys have been amazing today. I'll make a particular call out to Tim and Ben who are helping out on a quick assignment, digging into the comments that came up yesterday.

And then Marie and then others have chipped in with a French translation of an immediate article that happened this afternoon. You guys work so fast I don't even have time to digest what you come back with. Well done. So Ozan, they're going to put up a policy calendar please? Do you have a copy of it? The PDF? Thank you.

All right, the first thing in there is looking at comments that we've filed recently. I will only point up to you that in the last - since our last meeting we posted -- along with the IPC -- a comment on the proposed interim model. As opposed to comments on what was called the convergence model prior to that.

So once we had more specific information, we were able to propose more detailed comment. That was on the 10th of March. Then on March 11 -- yesterday, day before yesterday -- we filed a comment on ICANN's proposed budget. That was three days late - later than the 8th of March deadline that ICANN had for the comment.

Your Executive Committee felt it was appropriate to give an extra three days because we had some significant revisions to the comment Marilyn Cade had sent in and I'd circulated. And we wanted to give members who were travelling the time to review that.

Now in situations like those we sent an email to ICANN staff letting them know we were going to be late. Now they cannot -- in the reply -- promise to consider it exactly the same as everyone else. There's a standard reply that comes back from ICANN staff.

However, they were - understand that we did our reply in earnest, that we needed extra time to review, and they expressed that they'll give best efforts to consider the comment the same way they consider those that came in on time. But be clear, it's always better for us to be on time.

So when we give you something to review and give you two weeks to review, don't wait till the - two days before it's due to come back with substantial edits. It's almost always better to come back earlier. Particularly if you were involved early, such as the finance committee was. Nonetheless we're grateful for the comments that came back.

Since it was up for three days, the ExCom -- over the weekend -- also decided to propose the - moving the intersessional to every other year to save \$100,000, making those funds available. I'm grateful that so many BC members responded very quickly to that, because it is a principled response on our part.

And then you heard your chair Claudia say so at the public forum yesterday. So I think the Board well received that constructive suggestion. So thanks to Jimson, Marilyn, and Claudia for the good work on that comment.

All right, so the current - the next thing to do is look at the channel of open public comments. And Ozan, it might be better if we can each scroll the policy calendar. Okay? Thank you. So you can each scroll it if you just go down a little closer to the bottom of page one.

So there are open public comments right now. First one is the planned to restart the key signing key rollover process. A lot of you who were in the session we just had with ICANN Board and CSG heard that come up at the part of the IS PCP. But -- as promised -- Denise Michel took a first stab at a draft. And that was just circulated this afternoon.

It's a draft on the BC comment on the KSK process. I'm going to turn to Denise in a moment to explain a little bit about it. But it was gratifying to hear that some of the same concerns that Facebook and Denise brought up were echoed by Mark McFadden) of the IS PCP.

Now this comment period closes the 2nd of April, so what do you know we have some time to get it right. So all that we need to hear from Denise is a quick explanation to see if any BC members have any questions. Denise?

Denise Michel: Sure. Yes. To fulfill my commitment in getting a draft out while we're still on the ground. This is - please consider this a first draft. And additional members -- like Appdex or Google -- may have additional - or others may have additional edits, comments. And they're all welcome.

My intention here was to set out a broad direction and some initial thoughts to give it structure. I was - so please, don't hesitate to offer red lines or comments. I was pleased to hear that the ISPs share some similar concerns. And have - also have questions about the rollover that are quite in line in some areas with questions that I've laid out for the BC.

Questions I think would be sort of natural questions and requests that most, you know, company's infrastructure teams would want to know about. So we you know, essentially ask for a much more robust plan. That several issues be addressed in more depth. And we ask for more information. And we ask that a detailed plan be provided to the community and be put in place before they actually pull the trigger on rolling the key.

So I'll leave that there. It's great that we've got more time. I'll be watching the list for any questions, comments, or red lines on this draft. Thanks.

Steve DelBianco: Thank you Denise. Any questions from BC members here right now? Keep in mind Key SK is something that's used for the DNS Sec -- that's DNS Security -- extensions. That's where the key comes in. Claudia?

Claudia Selli: No, it's just a procedural question. I hadn't had the time to look at your comments. So but I hope that we can - that I can contribute one thing since there is the Easter break. I was just wondering when you would like to receive the comments or editing from our side? Just to be on time.

Denise Michel: Yes, I'm happy to incorporate edits at any time. I'll leave it to Steve to let us know what our deadlines are here.

Steve DelBianco: The deadline is the 2nd of April, so we have more than 14 days. To be honest, let's try to do it within the next two weeks. So it was released on the 13th of March. So let's by the 27th of March try to get it all in.

And that - will that work for you? Okay. Because we have until the 2nd for the closing date. If you think you're going to be longer than the 27th of March, just let us know. Thank you.

All right, the next item on here is the draft procedure for a community gTLD. That is to say a generic top level domain who obtained its registry agreement by declaring that it would be a community-based. There were some that were sponsored top level domains from the old days. And there are a roughly 100 new ones in the latest round of gTLD expansion.

So if a community TLD -- and they're designated as such because when they applied to be a new gTLD they designated themselves as community -- if they qualified through the community priority evaluation process they did not have to face a competitive auction with other applicants who had the exact same string.

So that was provided as an incentive for entities to do that. To do a community priority evaluation selection. At this point there are some gTLDs who wish to change the requirements for registrants in ways that reduce or potentially even abandon the community proposal that they originally were given the evaluation under.

So last October the BC commented on a sponsored legacy TLD for dot museum and their request to change their designation. Phil Corwin and I worked on that and we were generally pretty critical of the procedure of - to

do it. And did say that GDD needed to come up with a standardized procedure.

Now the draft procedure that we now are evaluating is only five pages long, but we do need BC volunteers to examine it. And I would look to volunteers who have some experience with either their own entities or consulting and helping other entities that wanted to submit as a community. So I'll take a cue now, and questions and volunteers. Andrew Mack?

Andrew Mack: I will volunteer. I worked on dot NGO so I'm familiar with the background.

Steve DelBianco: Marilyn?

Marilyn Cade: I have -- it's Marilyn -- I have a question. I am exceedingly critical of the slip and slide approach to entering the gTLD marketplace by saying I'm going to do one thing and I'm dedicated to being a community facing accountable gTLD and someone getting specialized treatment. And then saying whoops, I didn't do an adequate review of the market, I forgot that 5000 was not enough.

So I'm very critical of the idea that the community-facing gTLDs are proposing to change. So I'm wondering if we could have a little bit of a discussion about if -- in general -- the BC members would still agree with the - with that position we took previously that would make editing that particular section simpler.

I think there's a very real possibility that -- in future rounds -- that this could be - even emerge as almost a back door. That people say "I am going to be a community-facing gTLD" and then a couple years later "Whoops, I'm not making enough money so let me out of my commitments."

Steve DelBianco: Thank you Marilyn. I'll refer you to the answer to that question by looking at Page Four of the draft procedure, which I attached to the policy calendar.

What ICANN is proposing is that the applicant who wants to change their stripes has to describe what changed about the community they served. What benefits to that community of the change that you're proceeding? What potential detriment to that community of the change you're proceeding? What are the benefits to you, the registry operator, the one who's applying? And please explain why you think this change doesn't excessively broaden or narrow the eligibility requirements?

So I think ICANN listened and came up with a questionnaire that requires the person pursuing the change to lay it all out. But I don't want to reach back and just simply rely on prior BC positions, other than to say that we had principles there about sticking to it. To Marilyn's point.

But now let's just be constructive and assess whether this questionnaire captures all the information. Because what ICANN is proposing is that once those questions are answered, they would make a determination of whether to approve or not.

They would put that determination - they will put an amendment for execution with the approval. They'll provide approval to the operator within a targeted timeframe of 30 days or explain why not. And that decision by ICANN is not subject to a public comment. The public comment period is during the change request, the preliminary review of the request.

So I think that if we seek a broader public comment that we're going to want to do an insistence on a public comment period for that. Marilyn, did you have a follow up?

Marilyn Cade: I do. It's my understanding -- if this is a contract change -- all contract changes require a specific public comment period about the contract change. So are they saying that the - so they're putting it out for public comment, but

that's not the contract change that's the questionnaire et cetera, et cetera,
right?

Steve DelBianco: Yes. There's a questionnaire that goes in. And now I refer you to the actual
procedure going...

Marilyn Cade: Right.

Steve DelBianco: ...to the top of Page Two. If we could...

Marilyn Cade: Yes.

Steve DelBianco: ...better look at the actual procedure...

Marilyn Cade: Yes.

Steve DelBianco: ...rather than relying upon

Marilyn Cade: Well, what is...

Steve DelBianco: ...whatever they did two weeks ago.

Marilyn Cade: Why don't I do this. I will specifically ask the legal team if...

Steve DelBianco: It says so on Page Two. Upon determination that the request was complete,
ICANN will post it for a comment period of 30 days. I think this is what I
noted earlier. So there is a period of time where they will post it.

And the registry operator who asked for the change will - ICANN can initiate a
consultation and request them to respond to the comments received within
two weeks. So there's a consultation back and forth between ICANN and the
registry operator and then ICANN will make a determination.

So please understand that ICANN's determination does not go out to public comment. What goes out to public comment is the request by the registry operator. And that's the opportunity where -- if we looked at the questionnaire and we didn't think that they answered these questions realistically -- then we have an opportunity to push back and disagree with the way they were answered. Or disagree with certain elements of it.

Anything further on this? We have one volunteer so far. Or Marilyn, can I assume that you'll join Andrew on that one? It's all right Marilyn...

((Crosstalk))

Marilyn Cade: I think I could help...

Steve DelBianco: ...anyone else? Oh, Faisal. Fantastic. Anyone else? Waudou. Okay. Great. Appreciate that. Let me just write that down. So for the four who volunteered please understand that this is closing on April the 2nd. Closing on April the 2nd.

So working backwards we ought to have a comment circulated for BC review by about the 18th of March. So it's only really - yes. Next week we need to get a draft circulated to give the BC membership...

((Crosstalk))

Steve DelBianco: Okay, so the 19th. Whatever. Come on. So the 19th of March is when we want to circulate that to give BC members the full two weeks -- which is 14 days -- from the 19th. That's where I just - I just quickly did the math in my head. Pick the 19th or the 20th. Please. And thank you.

Third up is the proposed process by which communities of ICANN have to screen their potential Board members for integrity. This is an interesting one. Comment period doesn't close until mid-April, the 17th of April.

And I think this came about -- with respect to Board members -- whether there was adequate screening for conflicts of interest and so on. And the Board is reacting to that by proposing that every community -- before it nominates a voting Board member -- and as you know in the CSG we in the Non-Commercials have Board Seat 14, right? So that's the seat we're talking about.

So before we would say nominate or vote for a candidate like that - if you recall it's Matthew Shears who has that seat right now. That we would need to undertake the screening process. And they are proposing doing one similar to what the NomCom does for its directors on the Board. Right?

Cheryl Miller: Yes.

Steve DelBianco: And could you give us quickly a quick description of how you do that, Cheryl?

Cheryl Miller: Well this - I think the whole coming about was we had a number of different conflicts last year with respect to the names that were put forward. And so I think -- I haven't talked to the Board specifically on this -- but I think it's an attempt to address all that.

Right now for NomCom we are - we come up through our communities. So you know, with respect to conflict for me I don't know that you guys didn't...

Steve DelBianco: How do you do the screening?

Cheryl Miller: The screening for?

Steve DelBianco: Right.

Cheryl Miller: Board members.

Steve DelBianco: The Board members.

Cheryl Miller: That you can ask to (Aziz). This is - what are you talk - well you're talking about the...

Steve DelBianco: Real quick, what this requires is that GNSO -- namely the non-contract party house for...

Cheryl Miller: Yes.

Steve DelBianco: ...instance -- would have to use a process of screening similar to what the NomCom does today. For your voting directors. And I was asking if you knew what process of screening? Do you use an outside firm? How do you do it?

Cheryl Miller: So we - yes, sorry. I thought you were talking about something - so we do have - we have a contract with an outside firm that does all of that. I don't know if they'll use the same outside firm for this as well, or if this is - they'll hire a different firm.

Steve DelBianco: It's not they. It's us.

Cheryl Miller: Yes.

Steve DelBianco: We have to make a decision on what to do.

Cheryl Miller: Correct. So yes. Correct. Sorry about that.

Steve DelBianco: Are you pleased with the firm that you use today? And is there anything that you want to advise us on?

Cheryl Miller: So that would be a deeper discussion. We saw some - we had a long discussion about the firm that we use. And we saw some things that they did

really well and some things that they do not do well. I think that that's fair to say. I'm trying to be careful about what I say.

So we have chosen to continue to use them for some aspects of it. And to pause on other aspects of it. And Zahid can give you more detail on that. But for example we found that having them in the room when we had actual interview candidates during the interviews, was not very useful. They were asking questions that really had no relation to their capability as Board members, et cetera.

Now the general screening that they do -- with respect to conflicts, et cetera -- seems to be quite - it seems to be fine. It seems to be quite good. But they're not inexpensive by any stretch. And they're - we're looking to also bring in other firms that can perhaps can offer something new to the table let's just say. In terms of overall quality.

Steve DelBianco: Thank you Cheryl. You have the un-fortune of being the only NomCom member from the BC who happens to be in the room right now. That's why I put you on the spot.

Cheryl Miller: No, that's okay. We've had so many discussions this week over different things related, so I apologize because I was confusing this with another whole discussion thread that we had. So apologies for that.

Steve DelBianco: No need to apologize. But there is a need to volunteer. We need help from NomCom members -- you, Jay), and Zahid -- to help tell us your thoughts about the NomCom's screening process so that we can comment on it in the BC submission to the public comment.

Cheryl Miller: Yes. Go ahead.

Steve DelBianco: Don't have to hold the pen to write the whole thing. We'll seek other volunteers for that. But we need your input as soon as possible on what you think is good or bad about the NomCom screening process.

Cheryl Miller: Yes. And I'm happy to help you with drafting as well.

Steve DelBianco: Thank you. Any other volunteers in the BC right now?

Marilyn Cade: Steve, you have other early...

Steve DelBianco: Looking for hands in the room. Waudo, please.

Waudo Siganga: Yes, I think I'd like to be a volunteer. Been on the NomCom three times.

Steve DelBianco: Thank you Waudo. Anyone else? Any other hands up?

Denise Michel: A question.

Steve DelBianco: Oh, a question from Denise.

Denise Michel: Yes. And I'm sorry, this is the first I'm hearing about this effort. It seems logical to me that there be a certain harmonization in standards. That - minimum standards that we apply. And due diligence that is done to all Board members regardless of where they came from.

It seems strange to me that each SO or AC would use different firms, different standards. And pay for it themselves. That just seems very odd. It seems like this is something that the -- I don't know if it's the Board Governance Committee but the Board committee that's responsible for the basic due diligence of corporate officers -- would use in coordinating with NomCom and the other SOs and ACs. Is that - my...

Steve DelBianco: Keep in mind that the Board is reticent to tell an AC and SO -- particularly one that starts with the letters G -- how to do what it does. Both GNSO GAC. In general, the Board is reticent to tell an AC and SO what to do. So I could understand some trepidation about that.

And yet, if we all end up doing a similar process, you would think that we would be able to achieve economies of scale with that. So we'll see how that goes. But if you - do you wish to be involved in the comment or just sort of note that?

Denise Michel: No, not at all.

Steve DelBianco: Marilyn?

Marilyn Cade: Marilyn Cade. So I'm going to be as discrete as I can since this is being transcribed. But there were some significant anomalies related to a - some of the sitting Board members who had not perhaps thoroughly assessed. Who came through the process.

I'm not suggesting it was the Board members that we sent forward, but there have been some significant sort of internal issues that have - are being discussed in some of the SOs et cetera. I think we took the position -- as I recall -- that we thought all -- and said publicly -- that we thought all Board members should be vetted. Equally.

So I would think it would be consistent -- as I think Denise you were sort of indicating -- that this should be a uniform practice and that it would be funded by ICANN to do the vetting. Or the background check or whatever it's called.

I don't think it's feasible to ask an SO or an AC to do an integrity check. Which -- and I thought that actually this was -- would be more about the background check process that all the - that all of the Nominating Committee Board members eventually have to go through once they're appointed.

Steve DelBianco: That is precisely what I described. The Board is recommending a process similar to or identical to the process used by the Nominating Committee. I'll read it now and see - while I figure out whether they say who pays for it I'll let Cheryl respond.

Cheryl Miller: So this is related, but Steve you raised something earlier with respect to the different pathways for Board members to come up. And one thought I would throw on the table is what if NomCom only accepted independent directors through its process? And other potential members went through their respective pathways?

I'd just throw it out there as food for thought. Because I think that addresses -
- in part -- some of the potential conflict problems that have arisen in the past.

Steve DelBianco: Marilyn, it's not clear about payment. So that would be something we could raise in the comment. Are there any other volunteers that want to help on this? So far I have Cheryl and Waudu. Arinola?

Arinola Akinyemi: I would like to volunteer.

Steve DelBianco: Okay. Let's move to the next item on the policy - sorry, Claudia?

((Crosstalk))

Claudia Selli: No, I was just pointing that Theresa's in the room. So I don't know if we can...

Steve DelBianco: That's great, we can suspend the policy calendar and go to Theresa. I didn't see you come in. Thank you.

Claudia Selli: Thank you very much Theresa and also for your passions.

Theresa Swinehart: Of course. Thank you.

Claudia Selli: We're grateful to have you here. So I'll leave you the floor for describing us your project.

Theresa Swinehart: Perfect. That sounds great. It's great to be here. I feel like I'm on old stomping grounds. So it's really a pleasure to see former colleagues and everybody. So thank you very much. I know some of you have seen the presentation earlier. So I don't know if I should run through it very quickly or - no?

Steve DelBianco: I wouldn't do it again. I would get to the - this is Steve. Hey Theresa...

Theresa Swinehart: Hi.

Steve DelBianco: ...thank you for being here. Since we all saw it this morning, it's possible that you could put it up and ask if there's questions on a slide. And if there's no questions...

Theresa Swinehart: Sure, why don't I do that.

Steve DelBianco: ...get right to giving us a preview. That if it had 90 minutes, what would we do?

((Crosstalk))

Theresa Swinehart: Yes. So why don't I do that? Why don't we go - I don't have - oh, do I have slide control? That's - oh that's...

Steve DelBianco: Right here.

Chris Wilson: This is Chris Wilson. Can we - is if you shared those slides with us. Are those able to be shared with us too? So - okay. That would just also helpful so we (unintelligible).

Theresa Swinehart: Let's do this, seeing as I've - oh, going the wrong direction. There we go. What - any questions about what the purpose of doing the trend dialogue with the community is about? The objectives around it? No? Okay.

I think we touched briefly this morning around sort of the concept around what some of the trends are and sort of the broader buckets that we've seen that fall into. And that is showing up dreadfully. But that is supposed to say "Geopolitical and Economic Trends" in the bubble that seems to be blocked out. Yes?

Steve DelBianco: This is Steve DelBianco. Question for you. Was it your team that does its 360 view of those trends? Or is there an anticipation that you solicit from the community what they're as threads?

Theresa Swinehart: So if we go - it's a really good question. If we go to this slide here -- where we've sort of highlighted 12 that have come up in discussions with the Board, that have come up in discussions with the different departments that we're doing it with -- these would be ones that help the conversation. But we're actually soliciting input.

((Crosstalk))

Theresa Swinehart: No, no. So this goes to the purpose of the exercise. When we ran it -- as Heather had mentioned -- with the SO and AC leaders on Friday. And as we're going to be doing with the GAC today at 6:30 to 8.

It's an opportunity to look at these and say Oh that makes sense, it doesn't make sense, disagree fully. One conversation on Friday had actually resulted in, you know, one could actually combine maybe three of them. And that captures a bigger umbrella under which several items fall.

So it's really to help the conversation identify any gaps, see if anything's missing, see if anything can be rephrased. I hope that answers your question.

Steve DelBianco: Will there be a period when you put this out for comment that we would then reply to?

Theresa Swinehart: Yes. So what we would do is -- in running the exercise -- we would need 90 minutes of your time. We would divide you into groups, usually three different groups. You spend about 20 minutes looking at these, having a conversation, seeing if there's any gaps, whatever it might be, any changes.

Come back, discuss it with each other. The team just helps capture that. Anonymously. We don't associate names with whatever it might be. Brings that out back to your group to see if that's been captured correctly. We'll pull that from the other stakeholder groups that wish to participate. Put that into an overall framework, obviously where there's things that fall into similar buckets flagging that.

And that then helps form the input into a framework for the strategic planning cycle that obviously goes out for public comment around that. So we would run this completely transparent with the different stakeholder groups. And with the community of course.

Andrew Mack: Theresa, this is Andrew, quick question related - Andrew Mack. I'm curious about prioritization. So I know a lot of different constituencies have different priorities.

Is part of this exercise to try to understand within the community, you know, which are the most important issues? And are there things - is there a process by which we'll rank them? Or is that part of the discussion?

Theresa Swinehart: It definitely is. So Nathalie -- my colleague who's sitting in the back -- once the group comes back and discusses it we also ask the group -- before they leave the room -- to just put a dot next to the five that they think is a top priority.

So when we send the data back to you -- as a stakeholder group -- we would flag what you've identified. Sort of what you've agreed or disagreed are the gaps, and also what your group came back with as sort of the top five. So you Andrew would go and say okay I think, you know, these three over here are top priority and those two.

But Paul might come back and say he has other ones that are priority. And then taking that together we would send that back out to your group to help decide. So it's not in-concrete, it's just to calibrate where this particular stakeholder group might think the priorities are. Does that make sense?

Andrew Mack: Yes, I would - just I want to be really clear. I'm trying to understand how this relates to other stakeholder groups.

Theresa Swinehart: Yes. So then when we get the information from the other stakeholder groups we would do the same thing. We can then put that out and show, okay different stakeholder groups are seeing different issues as a priority.

Have the opportunity for those stakeholder groups to have the conversations also with each other. As you go into sort of the strategic planning cycle. So it's really to capture everything and then allow the opportunity for the conversations with the community. Keeping it as transparent as possible and also as un-complex as possible.

And one thing that we had flagged -- and I don't know, you might have another question -- is this is an annual exercise that Goran has us do annually. And then intention -- and I realize the timing this year is a bit off --

the intention is to try to make sure that -- if stakeholder groups want to run the exercise -- that it's done by this meeting on an annual basis.

So we'll plan ahead and build it in. The output of which is then captured, work with the community on that, and then that ties into the - both any updates or reprioritization if that may be necessary to what would be sort of the rolling strategic plan. But more importantly then also how it would map into the operating plan and the budget cycle.

So we're really trying to tie everything together in a streamlined way, working closely Xavier and his budget cycle process.

Steve DelBianco: Follow up question. Thanks Theresa. So I can understand that the perfect way to do this is 90 minute in-person exercise. I get that. If that's not going to work for us, are there any other ways that we can contribute insights we have about trends that are threatening to ICANN?

Theresa Swinehart: It's a good question. Part of - if we do it differently with different stakeholder group, just a concern that every stakeholder group feels like they've had the full opportunity to provide their input in a full way.

We've noticed not doing it in the in-person within sort of a 70 to 90-minute cycle -- and obviously as one does this on an annual basis the timeline might shorten a little bit -- you don't get quite the same input and interaction. So we're a little bit reluctant to go down that path. Goran very much likes to see the 90 minutes or 70 minutes if possible to do that. But we...

Steve DelBianco: Working in Washington and being part of the Internet Jurisdiction Group, working at the IGF, some of us see those threats. Both existential threats and just sort of nuisance threats. And we see things that are coming over the horizon. So I certainly am more than happy to share those insights.

I shared a number, I know Marilyn did yesterday in this session with Tarek on CCWG IG. However, we don't -- unfortunately -- have 90 minutes today. And I'm a little surprised there's - it's the only way to get it in. And would have hoped that there are other avenues to feed it in to people that are participating before you come up with your final set.

So hope to hear that there's an opening to be able to provide comments even. Even or in addition. Thanks.

Jimson Olufuye: Okay, thank you. This is Jimson Olufuye. And thank you Theresa. While this actually looks like sort of a sustainability issue. Really. So I wanted to ask is there a nexus between this and then this sustainability audit report.

You know, in the FY 19 budget proposal, there is a line there that says that ICANN does not have funds for sustainability audit. And this also (unintelligible). Just wanted to get a feel whether there's any connection?

Theresa Swinehart: No. No, there's no connection to that. This is really the lead up for starting to get the input to start framing the next strategic planning cycle. And also continue to -- on an annual basis -- both work with prioritization and ensure that one is proactively seeing the trends and the context of both opportunities or things that the community feels that we need to be mitigating towards. Around that.

But with that, I can certainly take it offline and talk to Xavier if there's, you know, a thread that links it. But it's - this is really quite a separate thing than that. But I'll take a look at it.

Jimson Olufuye: Yes. I get it. But I feel that it's - instead of doing sustainability audit ever year, well this also part of it in a way. In a sort that - looking long term. So it's good to tie to together. So that if they say that there's no funds for sustainability audit then it became justifiable to say well let's discuss that.

Theresa Swinehart: Ah, I see where you're going. Okay. So as these roll out and as there's a pattern of prioritization around them. Or which ones the community sees are the higher priority.

If -- for example -- something results where the community then decides that a sustainability project of some sort is a priority -- it's important -- then that of course would weave into the operational planning and the preparations around something like that. I hope that answers your question.

Jimson Olufuye: Yes, yes, it does.

Theresa Swinehart: Okay. I see where you were going. Okay.

Marilyn Cade: Thanks. Marilyn Cade. So I'm going to surprise Theresa by introducing Theresa as one of the first three councilors and officers of the Business Constituency.

When - because when Theresa said that she felt a little bit like she was seeing old colleagues I thought it would be appropriate -- Theresa -- to mention to many of our newcomers that you were one of the brave people who stepped up to become an officer and councilor long before we had any resources or any money. So I just wanted to put that on the record, because now I'm going to ask you a tough question.

It's a follow on to Steve's question. But presuming a slightly different concern related to that. We have - and I think it's approximately 30 of our members here physically. And so one of the challenges -- and I think Steve may also want to come back on this in particular -- one of the challenges I see -- and I really value the - doing the fact to face exercise, I hope we can do it, if we can find some way -- but what I know is that then we're - we don't have a mechanism -- unless we create something of our own -- to go out to the rest of our members who aren't able to attend meetings face to face.

And so I parked that thought because we're not going to be the only constituency. So just to, you know, to say even while we think about whether we could do the 90 minutes somehow -- or 70-minute version -- what's the thinking about how you get - how a constituency or a group gets to their members who aren't travelling?

Theresa Swinehart: Thank you first for the reminder of the history. And we were partners in crime on this. It was in those early days.

It's a good question. Let me give a little bit of thought to that. You know, one mechanism might be to capture what is pulled together in sort of the face to face timeframe. Allow for maybe an Adobe room so those who are not present could maybe listen in on the discussion or participate remotely, and then circulate out the outcome out to your broader group.

But let's give some thought to that, because we should be able to utilize the tools that we have while also benefitting from some of the face to face opportunities. And, you know, Steve to your point, absolutely. I mean the - especially this group, you know, businesses are out in many, many different forests. And observing many different aspects that tie into what some of the themes are that are emerging over time.

Yes, exactly. And so we need to find a way to capture that. So let me give some thought and maybe we can brainstorm a little bit on some ideas.

Steve DelBianco: Happy to do it in Washington with everyone and anyone who happens to be there on any day.

Theresa Swinehart: Any other questions?

Steve DelBianco: Did you want to finish your slides?

Theresa Swinehart: No. I'm - maybe I'll just see if there's anything else to pop through. I think I've already talked that this will map into the preparations for the next strategic planning cycle. I think you heard (Shireen) talk to that.

And obviously looking towards Panama to continue this conversation. And then just we talked a little bit earlier this morning on what sort of running a session actually looks like. And so that's really all I had.

Steve DelBianco: How many have you done the way you want to do them this year?

Theresa Swinehart: So the SO and ACs on Friday. We ran that. And Heather I think talked to it earlier when we were meeting. And we're meeting with the GAC today. So we'll be doing that. They're doing it 6:30 to 8. Yes.

And we have -- let's see -- so that's the two with the community. There had also been a late notification, so many people could not get it on the schedule. And then within ICANN organization we've run it with many of the departments. And then with the two hubs -- with Singapore and Istanbul -- for the global footprint. And then obviously with the Board.

So there's - so that's where we are right now. But we're very hopeful that as many of the constituencies that would like to do it in Panama would let us know about that.

Steve DelBianco: Theresa, one small follow up. When we had the meeting with the whole CSG I asked you about helping me to ask the question correctly. And wouldn't you know that in the CSG interaction with the Board, Goran suddenly understood what I was asking for.

And said "No doubt about it" your team -- or his team in general -- will give us any Adobe support we need. If we want to get together with multiple parts of the community to work on the accreditation system in the next couple of weeks.

Claudia Selli: So thank you very much Theresa for coming and taking the time. And I hope we can see you in Panama.

Theresa Swinehart: Yes, that would be...

Claudia Selli: Thank you very much Becky for coming here with us today. And I'll leave you floor for your presentation.

Becky Nash: Thank you Claudia. Good afternoon everyone. This is (Becky Nash) from ICANN Finance. I've got a presentation here, which is a finance update. Including several topics.

However, I just wanted to offer there is a Q and A session. And if there are any additional topics that anyone would like to address, please feel free to raise your hand or interrupt me at any time. So I'll just move forward and go over the - should I do this?

Ozan Sahin: Sure. I could do it for you if you want.

Becky Nash: Okay. No, it's okay. Over the agenda.

((Crosstalk))

Steve DelBianco: Becky, a question. Is this the exact same presentation you gave us in the CSG this morning?

Becky Nash: It is the same presentation, however there is some sections that we didn't cover. Which I think may be appropriate to cover. First of all, the financial overview of year to date actuals through December.

Steve DelBianco: So I have a suggestion. Could you just skip to the part where you got to in CSG and we'll ask questions from that point on? Claudia, would that be all

right? Jimson? Just pretend as if you're continuing where you left off this morning.

Becky Nash: Okay. Thank you very much for that recommendation. So for this first section we just would like to highlight that this is the reporting structure that ICANN org uses to report our financials. This is basically something that we present for each of our quarterly stakeholder financial reporting. And also in the annual fiscal budget.

Just like to highlight that we divide the financials into basically two major sections, which would be ICANN Operations -- and that's on the left hand side -- the blue with the funding and expenses for ICANN Operations, which has the red boxes identifying that we do include the costs related to PTI and IANA within our management reporting called ICANN Operations.

For FY 18 only you can see that there is a blue box identifying expenses related to IANA Stewardship Transition Expenses. FY 18 is the last year related to the IANA Stewardship Transition Expenses, which have been approved to be funded from the reserve fund.

Looking at the lower bottom half we have the operating fund and the reserve fund. Those are the two ICANN funds under management. And we do have a slide on that in addition to a slide on the reserve fund replenishment strategy.

Right hand side very quickly. The orange is the segment related to the new gTLD Program. So that's related to the application fees that were collected up front for the new gTLD Program. And that we expense the program over the length of the program and recognize revenue and expenses each year.

And at the bottom you can see that there are two funds under management, which is that bottom row. One is the new gTLD funds, which would have the leftover application fees that haven't yet been utilized. And the auction

proceeds are listed there. So again, that's our reporting structure for total ICANN.

Quickly just for FY 18 Year to Date, this would be our six months from July 1, 2017 through December 31, 2017. So this highlights the funding and expenses as compared to the adopted budget. And we do have a slide later talking about the forecast.

Just like to highlight that -- compared to the adopted FY 18 budget -- you can see that funding or revenue for the six months ending December was below the budget by five million. The expenses -- as you can see here compared to budget -- were actually lower than budget by nine million.

And then we do have the IANA Stewardship Transition Expenses noted here, where they are also below budget by one million. And that results in actuals through six months with a net excess of six million, compared to a budget of one million due to timing.

We just did a breakout at the bottom of this slide just to highlight the PTI-dedicated expenses along at the bottom there. Just so that you can see that we do track the IANA PTI services within ICANN Operations. And IANA PTI was showing a favorable expense by one million on a year-to-date six months through December.

This next slide just gives a breakout of funding versus the adopted budget. Again, we do have the actual funding of 65 million as compared to the budget of 71 million. And compared to last year -- FY 17 -- right on the same trend of 65 million.

This slide breaks it out by the registry transaction fee, the registrar transaction fees, and then the registry fixed fees and the registrar fixed fees along with our other income. And just to note the other sources of funding would be such as the voluntary contributions from the CC TLDs. Yes?

Steve DelBianco: Yes, it sounds as if the shortfall is not vis a vis last year. The shortfall is vis a vis the budget. And in two categories the budget was up. That was the registrar and registry transaction fees.

So just to clarify that was up because of a planned increase in the quantity of registrations? Or the dollar amount? Was it really quantity driven? Thank you.

Becky Nash: Thank you for your question Steve. Yes. For the transaction fees -- which relate to the subscriptions for domain names -- those are volume related. So it's purely based on volume. So our FY 18 budget -- based on some historical trends -- we expected it to have a much higher volume in that area.

Steve DelBianco: So yes, it's volume? And here's the follow up question. Was it - can you break down whether it was due to new registrations that didn't come in or renewals that surprised us? The number of drops. Thanks.

Becky Nash: That's a very good question. I'll have to take that one and have our colleagues do a little bit of research. Just on that note, tomorrow afternoon -- should anyone be available -- we do have a finance session called the Budget Working Group where we will be going over assumptions related to the FY 19 funding. And we can certainly talk on the historical. So I will certainly get back to you on that. Okay.

This next slide is the operating and capital expenses, what we call our cash expenses. So again, this is a view of ICANN Operations. Where we are identifying the standard categories of expense that we track our expenses by.

So as you can see here again we have total expenses of 59 million as compared to the budget of 68 million. And compared to FY 17 of 57 million. The categories that are listed are personnel, where as you can see here the

budget versus actual of personnel is right on par. Personnel in FY 18 is higher than FY 17, driven by the head count.

And then the next category is travel and meetings, where we do have expenses that are slightly lower than the budgeted six months' amount. So seven million as compared to the green in the middle of eight million. And then you see our professional services. This is where we definitely have favorability -- or lower expense -- compared to the FY 18 budget.

So professional services spent was 8 million compared to the adopted budget of 14 million. And still also slightly lower than prior year. Administration and other costs are slightly lower than in the budget. And then we have our capital -- which would be capital projects -- which is also showing lower than budget. On this next slide we have our funds under...

Waldo Siganga: Hey. Question. What's the - what are the examples of the capital projects?

Becky Nash: So capital projects would be things like IT software. Or any kind of development related to any of our portals. Or online software. Hope that answers your question.

Funds under management as of the end of December. We had total funds under management of 462 million. And that is split between the ICANN Operations -- of 104 million -- and the New gTLD and Auction Proceeds of 358 million.

So on the left hand side we are showing the ICANN Operations, which is split out between operating fund and reserve fund. And these two periods are the end of September -- quarter end -- and the end of December. So it gives you -- on the right hand side there -- that in general funds under ICANN had increased.

And primarily that was as it relates to the reserve fund where we did have a transfer into the reserve fund in early December. That was Board approved. On the right-hand side of the slide are the new gTLD and auction proceed funds. So you can see here that we have -- as compared to September quarter end -- the December is slightly down at 358 million.

And that is related to the new gTLD funds, which are spent over the program. And also as a repayment for costs that are shared by ICANN. I'll just pause if there's any questions here? Okay.

Steve DelBianco: Becky, there is one question. Later on we are going to be discussing the BC starting to react to the new reserve fund strategy. Will you have slides that specifically lay out that? We want to be sure to get to those, because that'll be important for us. Thanks.

Becky Nash: Thank you for your comment. And that's exactly where I am at this point, where I'm going to skip through the FY 19 planning process -- because we did discuss that earlier this morning -- and we held webinars after the draft budget had been posted for public comment.

But should anyone have any questions, feel free to email us at any time at planning at ICANN dot org. For this next section, this is the reserve fund replenishment strategy. So we have one slide here. This is basically related to the recently opened public comment on the proposed strategy for replenishment of reserve fund.

Just to highlight, the reserve fund -- created in 2007 -- was funded through operational surpluses during that time. The targeted amount for the reserve fund is 12 months of operating expense. In 2014, the reserve fund was lower than that target. It represented 11 months of operating expenses.

Starting in 2014, there were withdrawals to the reserve fund that were approved by the ICANN Board as it related to the funding of the IANA

Stewardship Transition project costs. This was approximately 36 million dollars over four years.

The next point -- where we're just highlighting that the target level of 12 months of operating expenses for the FY 19 projected expenses -- is 138 million. The amount of the reserve fund as of December that we just looked at -- 70 million dollars. So this results in the shortfall of approximately 68 million.

In the public comment document that is posted we have suggested a strategy of replenishment over five years. So over five years ICANN org operational savings of 15 million. Auction proceeds are a possible usage of 36 million for the IANA Stewardship Transition expenses. So this is reimbursing the reserve fund for those expenses that were spent for the Stewardship Transition.

This results in the shortfall then of - and additional shortfall that we have additional suggestions on how to cover that. So the remainder shortfall is 17 million. And it's just - we've listed the calculation there.

There are basically three points for consideration and again for public comment. Contribution from leftover funds from the New gTLD Program, if any. And that just relates to the unforeseen risk that may be there as it relates to the New gTLD Program. And if there are any funds related - left over from the application fees collected up front they could be used to cover this shortfall.

Additional contributions from ICANN dot org. What that means is that -- as you know -- for the FY 19 draft operating and - plan and budget that was posted for public comment, there is no mechanism there for replenishment in those operating expenses.

What this point means is that we would need to then -- in future budgets -- start on having a replenishment strategy that leaves a net excess that can be transferred into the reserve fund. And then the final recommended strategy is additional contributions from the auction proceeds that have been collected.

So I'll stop here and I think there's questions. I think Steve had his hand up first, Marilyn?

Steve DelBianco: Thank you. The 36 - most of the replenishment -- a little over half of it -- comes from the auction proceeds. And the way you got the number 36 was that was the amount that had been taken from the reserve in order to fund the transition. But there's no logical connection between the transition and New gTLD Program, where the auction proceeds came from.

So it's an interesting approach to pick the number from auction to match the transition. But the transition had nothing to do with the New gTLD Program. So the 36 number could have been any number. And I'm just wondering what rationale was it to say that -- if we're going to hit the auction proceeds for anything -- I know, I know, let's map it to the transition costs. What was the thinking behind that?

Becky Nash: Thank you for your question. When looking at the Board-approved expenditures that did come from the reserve fund, that's really what we're highlighting.

So I think that you're looking at making a correlation between the two funds, but mostly it was the fact that that was a significant amount that was approved to be withdrawn from the reserve fund and thinking that we would want to cover that amount right away. Marilyn?

Marilyn Cade: Thanks Becky. And thanks -- Marilyn Cade speaking -- thanks so much for going directly into the details here. Because I think this is a very, very important and high-profile issue for the BC.

As you know -- although our comments were late -- we - again I will try not to have (unintelligible) in my house. But we really made it a priority in our discussions to focus on replenishing the auction fund. And I -- sorry, the reserve fund.

We even referenced the fact that we -- as business people -- may think that we need 17 months as opposed to 12. Particularly some of us who've done downsizing and closed business units, which I've done. I know that you don't actually easily wind down. And I think that's something that's going to take more thought.

So there's even a reference in our comments about we'd like to see some scenario thinking about what the wind down would be should such a situation happen. I'm - I think Steve was hinting at that it could be even possible to fully replenish the reserve fund with a one-time reduction - deduction from the auction proceeds.

That question is being discussed in the CCWG Auction Proceeds. Whether there would be support in the CCWG AP toward using the auction fund, I have broached it. I think there's some interest in it. We've asked legal - we've asked for legal feedback, et cetera. And of course you're part of the team so you're aware of it.

But I'm wondering, I have a different question here. The - where we have a 68 million shortfall -- because of the difference in the budget level between 2014 -- and so it wasn't just the 36 million. It's because the budget continued to grow and so we had a bigger shortfall than just the amount that was reduced.

So that's my first point that I just want to verify that I'm on the right track here. If that is the case, then I think we would perhaps need to be seriously considering if the budget were to continue to grow -- how the reserve would

continue to be replenished, even after the one-time replenishment. Has that been thought about?

Becky Nash: Thank you for your questions. So I just wanted to highlight that -- as part of the FY 19 operating plan and budget -- we did include a cash forecast for the funds under management. And then at - and that would have incorporated then the expenses through FY 19. And so that's how those numbers are derived and it is forecasted.

And your second point there, I tried to make the point earlier that one of the strategies being recommended here is the additional contribution from ICANN org operations. As part of the FY 19 draft operating plan and budget we did not have a line item indicating funding higher than cash expenses and difference to replenish the reserve fund.

We would need to start that planning process much earlier in the cycle, and we are recommending then -- as part of this strategy -- that it be contemplated early on in the development of the budget. And that there be a conscious replenishment strategy as listed there as number two.

So I hope that that bullet number two in that last section, I hope that clarifies that.

Jimson Olufuye: Yes. This is Jimson Olufuye speaking. Well two comments and maybe one question. The first one is with regard to the first section, where you give us a comparative analysis of how the budget performed.

That is - that information is very good for an executive summary. You know, such information we can easily see how the something is - we are progressing. Making - how the organization - how the health -- financial health of the organization -- we can easily see that. That is fantastic. So that's one.

And then after it the proposal. The full details of the reserve that you - the public comments request. I've read it and I could note that there are some things -- some details -- missing, so I would just mention it. That was it talked about maybe the contracted party we can include - increase the fee paid by, you know, a niche domain from the contracted party. Okay? So that is one option. That's one of the options that the rates -- the amount paid on every domain -- should be increased. Okay? So that's one.

And then secondly, additional contribution from ICANN org is going to affect - - because if you're talking about budget constraints, budget (contribution) -- it's going to affect some basic operation. So will it affect -- the question I -- will it affect staff (unintelligible) or staff calls or whatever. Is that a part of the game or the consideration? Sorry. Thank you.

Becky Nash: Thank you for your comment. I think you had three points there. So I did want to just address -- for the group -- that your first comment related to the executive summary or the format of an executive summary.

That's in part because we have heard -- from last year and in this year -- that an executive summary for the operating plan and budget is something that's useful for the community members. And I think you were addressing that the format of our financial review slides were a good format to follow. So I've just noted that you've made that comment.

Then the second item was related to the details in the proposal. So I think that you - or the reserve fund replenishment strategy paper subject to public comment. Again, we do encourage you to make public comments. That period is open at this time.

And the two points that you made we definitely recommend that you list the public comment indicating that you are acknowledging the sources of funds that are listed out in the document. And then also we've talked a little bit thus

far about that second from the bottom bullet point of additional contribution from ICANN org.

So again, that would mean that we would need to plan to have excess funding less expenses with then an amount that would be able to be available to replenish the reserve fund.

Jimson Olufuye: Thank you. And a quick follow up. Now that Xavier's here. Thank you very much. Are these saying they - the question I raised in the first segment of your presentation in the morning, I send it to planning at ICANN dot org.

And so I mean and Xavier was not there so maybe I could just mention it. So perhaps he has a response immediately. Xavier?

Xavier Calvez: Thank you Jimson.

Jimson Olufuye: Yes, yes. Sorry, I have not asked the...

Xavier Calvez: Sorry.

Jimson Olufuye: ...question. Like, you know, in the standing committee of - Council Standing Committee on Budget -- there was the issue raised that we needed more clarification on the sustainability audit, okay? Or (unintelligible) the audit.

So we're just wondering maybe there is any more information we could get concerning that? Because sustainability audit's too important to us. And they said there was no fund for it. So wanted to know what's go - this is all about.

Xavier Calvez: I think you - can you remind me if that is a comment that has been submitted relative to a sustainability audit or not?

Jimson Olufuye: Yes, actually. Comment submitted, yes.

Xavier Calvez: Okay. So then we will respond to that comment as part of the public comment process. I think the point had been raised there because - so it appears in the budget for FY 19 that we are not including a sustainability audit. The reason may appear a bit strange to say we're not going to do this. But we felt the information was useful because this is something that had been considered.

And that we know that a number of community organizations or members had expressed interest in that happening. And in the environment of finding areas to be able to not spend money that's been one that's been chosen. So the comment that you pointed out is very important to help us understand the level of priority and interest that there is given to that.

I wanted to come back to also something that - the comments that you were making about the reserve fund replenishment. And one, the possibility of raising fees. Those of you interested will see that the document offered for public comment has principles in it that are - have been used by the Board to elaborate the strategy.

One of the - these principles -- number three -- indicate that the Board would like to avoid as much as possible to have any negative impact on registrants in around registries and registrars and in replenishing the reserve fund. So therefore has chosen -- suggested -- a strategy to not increase fees as a result of that principle.

Yet again, it's a very important feedback to provide during the public comment if anyone feels otherwise. And the second, you are correct in saying that -- whether it is the 15 median of contribution or five years from operational savings or whether it is additional savings from operations -- both - in both cases cost savings will need to be found to allow for that excess to be created and therefore to be allocated to the reserve fund. Which simply means a reduction of services.

Unless there is an increase in funding. Right? So if there is no increase in funding we're going to need to find savings to be able to generate that excess. If there would be increase in funding, then maybe - it doesn't require to find further savings to be able to create an excess. Thank you.

Becky Nash: So that actually concludes the slides that we have. And again, we're available for questions. We had some additional information attached to this presentation that- if you have any questions on that.

And then finally we're just highlighting that we do have two sessions tomorrow should anyone be available to come and join us. We do have the discussion on the public comments in the morning -- at 10:15 -- in Room 202. And then we do have our budget working group in the afternoon -- at 1:30 -- in the same location. So.

Denise Michel: Hi. I have a quick comment. Thanks so much for your very thorough presentation. This is Denise Michel from Facebook. Just wanted to put in the request that - so the Business Constituency -- I think like several other constituencies -- took a lot of time and effort to provide some substantive comments and suggested changes to the budget.

It would be really helpful to get back from ICANN staff a more fulsome explanation or even a discussion if you disagree with the requests and positions that the Business Constituency shares. The responses last year were quite brief. We have some quite substantive issues that we've addressed this year.

I think last year there was a conference call scheduled -- which many BC members were on -- I think we expected an actual discussion of the comments that the BC submitted. And instead it was simply staff asking a few questions of clarification on our request. But really no sort of additional insight into how the staff was receiving this request, whether they agreed, they disagreed, and the why of it.

I guess the staff and the Board. So I think a more fulsome give and take and even a discussion after you have a chance to digest the recommendations we make would be quite useful. Thank you.

Xavier Calvez: Thank you Denise. I will try to elaborate on the point that you're making. And certainly you are pointing out too, the value of being able to actually interact on the comments that have been submitted.

We have -- over the past years -- we have now for three years tried to have - to organize the calls that you just referred to in order to be able to exchange directly with these - the people or organizations who have submitted comments. In order for us to better understand them.

The - I think the challenge that I'm assuming you all know is that at the time we've had those calls -- which is also the timing by which we are having the meeting that was held a little bit earlier today and that will be held tomorrow -- we just received the comments.

So the process for us to address comments is to look at all the comments -- compiling all the comments -- before being able to express opinions on those comments. So there's a bit of a challenging distinction for us to manage between being able to provide thoughts on comments when they come in versus providing a finalized formal in quotes response to comments that's been submitted also in a formal fashion.

So it would be great for us to be able to freely exchange opinions on the comments submitted, which is ideal. But it also creates the risk for us to only consider the comment that is being discussed. And (nonetheless) (sic) fully take into account other comments submitted by other organizations on the same topic.

And we could create therefore the risk that we provide a response to you on your comment that may not be consistent with the response that we could provide if we would have had time to consider all the other comments. Which is why we have been very careful -- during the calls that we talked about or that we have today during the meetings that we've had -- to try to understand better the comments.

Try to also give a little bit of sense of where our minds are going about answering to those comments, but not providing an answer to those comments. It's not always easy. And I welcome your point that to me reinforces our understanding that this is important discussions to be had.

I would suggest that we -- and I don't know if it's possible for any of the members who participated to submitting comments and we've received from Steve the document -- if it is possible for any of those community members in this group who participated to submit the comment to come to the session tomorrow morning so that we can try to discuss.

I'm very happy to try to have a separate conversation at a time that's more convenient on those comments to try to achieve a bit more of what you're looking for. If that would be possible. Again, we will always try to be careful to not provide a formal answer to a comment verbally in a private discussion that would impair the integrity of the public comment process. Thank you.

Steve DelBianco: Just one follow up. I know for sure that Marilyn will be there tomorrow. She said she would. Jimson, are you going to be able to be at that session? And the other drafter was Denise herself. And Denise, check your schedule to see if it'd be even possible.

Denise Michel: No, unfortunately.

Steve DelBianco: Okay. So we'll two out of three who were key drafters will be there for that. And I had another question. It's a yes no.

We got ours three days late and we explained why. And we got a quick reply from you explaining that if your process accommodated it you'd consider our comments along with those that came in on time. Can you say whether your process would accommodate us?

Becky Nash: Thank you for your question there. What we are recommending is that all of the - we asked everybody to continue to submit whether the deadline had passed or not. And we are acknowledging them as late submissions.

When we read the comments -- should they be a comment that is also covered by another public comment that was submitted on time -- we will then list that we ask you to read that response there. To the other public comment.

As you know we want to be as fair as possible and we wanted to hear the comments whether they were on time or late. But we also need to acknowledge that there were members that were able to submit them on time and that those are the ones that are in the formal report.

Steve DelBianco: The formal report wouldn't include any of our comments? Even the ones that were unique?

Xavier Calvez: So we actually intend to try to include the late submissions in the report, but in a separate section of comments submitted late. So it's because...

Steve DelBianco: As a practical matter we put them in on Sunday instead of Friday. It's - Thursday. Did in fact you begin analyzing starting Friday morning? And so that we...

Xavier Calvez: Well, of course not.

Steve DelBianco: ...okay.

Xavier Calvez: But it's not...

Steve DelBianco: As a practical matter. I understand the fairness point. I get that completely. So as long as they're given the full consideration it's okay if we get put in the penalty box at the end of the report.

Becky Nash: I just...

Xavier Calvez: Yes. And just to complete the answer if you don't mind. What we want to do is two things. We want to be fair to those who have submitted on time. That their comments are considered. We want to be fair to those who have not submitted on time but have also spent the time to produce comments. But they're - those comments are not ignored.

So we're trying to have a compromise that allow to include the comments submitted late in the report in a separate section. What we will do -- as Becky said -- is we will review them as well. And we will try to refer to existing answers on similar comments for those comments. And we will try to provide the insights and answers on those comments that are unique.

Hopefully it's relatively limited, but we'll try to also do that. So at the end of the day -- and I'm hopeful that nobody feel - will feel upset about it -- we will try to review and address 100% of the comments basically.

Claudia Selli: Thank you very much for your time. And thank you also for your answers.

Marilyn Cade: Claudia? I - sorry, it's Marilyn. I just wanted to make a quick report. I was in the session as was Arinola. And I - so I - there's a - I want to ask the following question. If the transcript - sometimes the transcripts for all the sessions are not immediately posted.

If you could check, I think it'd be very helpful for our members if the transcript from today could be available by tomorrow. And the transcript by tomorrow could be available - if they could be put in the priority queue. That would be very helpful I think for our members who aren't able to be at the session.

Xavier Calvez: We will check. Thank you.

Jimson Olufuye: Yes. This is Jimson Olufuye. Just a follow up to your response Xavier. Thank you for that, for considering comments when they came late. So the point is maybe she will have sent in whatever we had by that closing date, then maybe with an in proviso that, you know, an update is in the works and to come. Would that make sense going forward?

Xavier Calvez: Sorry. It could be, yes. So as an illustration another organization reached out to us before the due date to say that they were going to be late in submitting.

And what we suggested there is to - for them to submit a draft of the comments on time. And then resubmit behind the - even if after the due date the final comments, which in often cases may not necessarily be different. It's simply that they've been validated.

Claudia Selli: Okay. Thank you very much.

Xavier Calvez: Thank you.

Becky Nash: Thank you.

Claudia Selli: Okay, we have been eating up all our coffee breaks. I think we will continue directly with the meeting. Ozan is that fine? I'm just checking for the record and transcript.

Ozan Sahin: Yes. From the record point of view, we need to give at least two to three minutes break to change the lines. And then continue.

((Crosstalk))

Claudia Selli: Okay, thank you. We'll restart the meeting in...

END