TRANSCRIPT

Finance Working Group

Costa Rica 11 March 2012

Byron Holland:

All right. So I guess we'll get going. We're working a little bit in the field and made a change from the venue we had previously, so, considering the school-like (unintelligible)-- stop talking. Pay attention.

What I'd hoped to get out of this session, just to sort of set the agenda, is to have a discussion about the document that I sent out to the working group, which is the results of the survey that we've seen. This has been a long time coming, starting way back with Leeds and Seager (ph) working out some of the original questions in the original format of this all the way to Gabbi and Kristina, in particular, getting-- going through a lot of effort to actually get this into the hands of a large number of the ccTLD managers. So I would just also like to thank the staff for having done that one at a time because I know how much effort that was. So thank you very much.

As a result, we got 55 responses, and I just want to do a little bit of background to set the stage here, so we can have a discussion and also talk a little bit about the limitations of what we have here. So, there are 255 ccTLDs in IANA's database. We have just-- what do we have right now in terms of ccNSO? The number? 125 or 126? Sorry. So this is just to give perspective. Right. And one pending. That's right. So we're about to hit 130 in the ccNSO. And 55 actually responded. So I just wanted to give you a sense of the numbers because that has implications in terms of how much credence we can give to the data.

Now, from a survey point of view, that's, roughly speaking, around 30%, so it is certainly going to be able to give us good guidance. The other thing about surveys is this is a self-selected group. And that's very important because it's not a random survey like we would often think about in terms of political polling or that kind of thing, where it's randomized and has the sample size, but it becomes statistically significant and you can extrapolate against the entire population base. We don't have that kind of survey here. We have a good survey that gives us good guidance, but, since it's a self-selected sample, it will inherently exhibit some bias based on whoever those respondents were.

And, just to give you a little bit of a sense of that bias, geographic regions like Europe over index, and geographic regions such as Africa under index in terms of participating in the survey. So we need to keep that in mind because, inherently, it biases the outcome to some degree.

Now, there's a big difference between saying biased and saying it's not relevant. It's still, certainly, very relevant. We just have to view it through the filter of there's some self-selection bias.

That's kind of my preamble as we go through this.

And, in spite of the format we're in, it's not meant to be monologue here. It's meant to be a discussion because there are good minds in the room, and we can all interpret data different ways. And it's like, even just in a couple of the conversations I've had with some people in this room, I was really struck by very different takes on what the survey said. So people read the data and got quite different views on what it said to them. So I want to have that discussion, question and answer.

I, unfortunately, got this survey later than the research company had promised me, so, literally, as soon as I got it, I sent it out to you. So there's probably also going to be questions we want to have just about what are they saying here, and does this make sense, because I've already seen a few things that I'm going to need to go back and get clarification on. I would like to get that sense. Are there any issues that we need to bring back to the survey and research firm for clarification?

But, also, then, at a high level, what are the messages that we want to bring forth to the community? If we look at this survey, that's going to inform part of the discussion around contribution models, etc, what are key themes that we want to tease out of this, because there's all kinds of messages here. And, as we know, if we're going to go to the community, first of which is going to be-- immediately, it's going to be both the GAC and the Board in the next couple of days or the next few days, what are the core messages that we want to deliver to those groups, because, once it's out in the wild, these messages are going to start to take their own shape. So let's make sure that we're delivering the messages that we want out there first. So what are they?

I've put down a few. I've already had some conversations on maybe how appropriate are they, or can we nuance them or fine-tune them? So I'd like to have that discussion and, ideally, come out of this session with a sense of-- I know it's almost a cliché, but, if we want to have three messages, what are the three messages we want to deliver?

And that way, we as a working group and then, hopefully, the council and then, hopefully, our community will then be constantly singing from the same song sheet around those core messages. So I would hope, by the end of this sessions, if we could come out with those, I think that would be very, very helpful, particularly given we are presenting or, at least, I guess, I'll be presenting the results of this to the GAC and the Board Tuesday and Wednesday.

Any questions or comments?

So it's not-- I don't want to go through a page book of every single slide but, really, maybe tease out a few of the key ones. And, since the room is a little bit different than expected, I'm going to have to walk back and forth between my notes and the computer.

So this just goes on because, I mean, everybody's seen the survey. Hopefully, you've had a chance to take a look at it and digest it a bit. But, again, 255 total ccTLDs, 130 in our ccNSO community here, 55 responded.

Another key-- just a takeaway is the survey remains open, so, while this gives us guidance on what these 55 respondents have said, our goal is to continue to chip away at it and get more and more folks. And we would like to see the under-represented areas, hopefully, ramp up their participation here.

I think we all know what they do. So we've got a couple things here that we really took a look at. What do we contribute, and what do we get in terms of services?

And those are really the two fundamental questions we wanted to ask. And then we started breaking them down and peeling them apart a bit.

Here's a little bit of an eye-buster chart here, at least it is for me, since I don't have my glasses. But, really, what this is showing is what are the services that are used. So, we can see that the IANA function is the top. We, as cc's, all typically use that. But then it's a pretty steep tailing off in terms of services used. So, you know, the top two or three - regional (ph) management, policy updates, delegation and re-delegation - are really the three high runners, and then it falls off pretty dramatically after that, particularly in terms of what I would call capacity-building activities.

Now, that said, I think we need to keep in mind that this is over-indexed to the European cc's. It's reasonably representative on Asian, pretty good on-- but under-indexed in LACtld (ph), and, definitely, under-indexed in the African region. So just bear that in mind when you look at these results.

But the results basically say we really participate or require actively only a handful of activities that ICANN is providing for this-- or suggesting that they're providing for this community.

Does that make sense to people? Comments? Questions? Okay.

This is the same graph or the same data but skewed based on number of domains managed by the given ccTLD. So, I don't think there's anything here that particularly stands out. Clearly, there's one or two anomalies here, but it's-- what it's really showing is, essentially, the larger the ccTLD, the faster it falls off on what I would call-- if we can just use for a term, really, core, core functionality at the top and more/less core functions as you roll down the graph. That's what this one is really saying here.

The conclusion there typically is, the larger the ccTLD contributor in terms of dollars-- absolute dollars, the less number of functions they use. So, in this self-selected group of 55-- um-hum.

So, you know, it's an interesting thing that we need to wrestle with here. I mean, we have this self-selected group of 55. This is accurate data for them. But what's it say for the whole community? It gives us good guidance, but we can't extrapolate it across the whole community, per se. Peter?

Peter Van Roste: (Inaudible).

Byron Holland:	Yeah. For the transcript, that's right. If we could pass the microphone around and just say your name.
Peter Van Roste:	Hi. My name is Peter Van Roste. (Inaudible). Thanks, Bryon.
	One of the questions that comes to my mind when I'm looking at, first of all, the pre-steps (ph) and then the next slide with the conclusion-- there's-- we're talking about the self-selected group that, basically, filled in the survey. It might be useful to use the version that (inaudible) smaller than 100,000-- that should be 100,000 to (inaudible)-- larger than 1 million and in the introduction as well, so that, whoever reads this survey has a good idea of what type of ccTLDs we're actually talking about, because, even in Europe, some of those that will have responded will actually fall in your group of smaller ccTLDs.
Byron Holland:	That's a good comment. We'll do that.
Unidentified Participant:	Byron, I want to know if it's possible for us, at least for this group, to know which are the 55 countries who have been (ph) answered the survey, just because, if we have to invite others to-- I don't know.
Byron Holland:	The research firm certainly knows who the 55 are. There was a fairly robust commitment to privacy. So let me just go back and double check on what we said we would release. There's sensitive data in here. And part of the commitment to get people to talk about was to not uniquely identify them. But let me see if-- just about the name itself, because I don't remember that off the top of my head. Just saying I participated might be useful.
	Peter?
Peter Van Roste:	(Inaudible).
Byron Holland:	Ask who didn't participate? That we can do. That's some good lateral thinking. Okay. So that was one of the conclusions, the absolute dollar contributors-- or the largest absolute dollar contributors tended to use the least amount of services. They use the top couple of core services but not the rest, and vice versa.
	Which this is the second part of that, which is looking at the average-- the mean, the median-- so the average and the median contribution by domain size. There's probably no big surprise in here because we've all seen the table and the banding of contribution. I assume everybody's seen that. That was part of the materials earlier in this process. And this just takes it a little further in terms of understanding the mean and the median on those by registry size. And this is the data that gets put against the expense data that leads to the conclusion of the larger ones (inaudible) lots of the services. These are, again, average contribution in terms of time.
	I think this is an interesting one too. We look at financial contributions, just the hard dollar. You're righting the check. And then there are the other contributions, which we see are fairly significant. And this looks at how actively are we participating as a community, as individual cc's in the ICANN process. And what-- this, of course, then, leads to how much are we spending in terms of the hard dollars but also in terms of mindshare and commitment to the process.

One of the things that I want to tease out, and Bart was really helpful in having this conversation, is agreement-- the notion of agreement and support and formal agreement versus voluntary. And what is sort of the contractual ones, like (unintelligible) and J.P. have versus exchanges of letters, frameworks. So how those get sliced is going to be important here, and I think this is one of those areas that I'm going to have to go back to the research firm and get a little more granularity on that.

Lise?

Lise Fuhr: Do we know what's in the contractual agreement, because, if it's like just a fixed number they agreed to pay or if it's for--

Byron Holland: I'm going to let Bart answer that one.

Bart Boswinkel: The real contractual ones-- there are four of them. That's au, bk. So that's (unintelligible).au. Taiwan, Japan, and the fourth one slipped my mind. Yes, Cayman Islands. In the Cayman Islands, there is a picked (ph) number. In Taiwan and auva (ph) one, there is a method. That means it is calculated on the per domain name basis, in a way. The JP one had such an arrangement, but they changed it into a fixed amount. And so that's the answer to your question.

Lise Fuhr: Well, I just find it interesting that the other slide you showed, the first slide, size matters. If you have a lot of domain names, you pay more, so you do it voluntarily. You don't need to have an agreement. And, even though those countries are those who uses ICANN least or are having--

Byron Holland: -- fewer services.

Lise Fuhr: Yeah, fewer services. They pay more. I think that's-- I think it's a good way to have it, and it's what we-- it's what .dk would want, that it stays this way.

Byron Holland: That it's--

Lise Fuhr: A voluntary basis.

Byron Holland: Right. And that's one of the things that's interesting here that's not maybe parsed as well as it could be is that voluntary doesn't mean there isn't some kind of agreement in place. Right? That's where the distinction needs to get clarified or become sharper than what it is here, because there's some overlap. But your point is the voluntary methodology still generates significant revenues in many of their registries. You don't need a contract to force you into making large contributions.

What we can also see here is there's pretty strong participation, people between-- coming two or three times a year is the majority.

We also looked at hours. Now, again, this is a self-selected survey, and these are-- the responses here are people guestimating their hours. But, when-- an interesting correlation, even though it's completely separate, was the work (unintelligible) was doing around workload for council members and some of the basic figures around level of effort and time required or contributions through the council, et cetera, that we heard about this morning. They do actually correlate reasonably with what we're seeing here. So just two completely independent thought processes ended up actually being somewhat similar. But you can see--

for the average, it was 143 hours a year. So, depending on how hard you work in your day job, that's at least a few weeks-- a few weeks of your calendar is dedicated to ICANN-related activities, which is not-- for those other day jobs, not a trivial endeavor. And then there's Keith, who probably does some whole other of magnitude different.

Peter?

Peter Van Roste: This is Peter from CENTR. It might be useful to correlate that thesis slide to other statistics, but does that relate somehow to the contribution-- (unintelligible) contribution as far as paying more are more involved? Not something to relate but maybe something to specify. I don't know if you have that information from the survey results. But does that include travel, for instance, (inaudible), because, if you add that, you very quickly end up into the 30, 49, 50 hours spent on (inaudible).

Byron Holland: Right. Does this--? Anecdotally, though, does this make sense just within this group? Does this seem reasonable in the finger in the wind test?

Peter Van Roste: Personally, I think it's pretty low.

Byron Holland: Do you?

Peter Van Roste: The median that we can see there (ph).

Unidentified Participant: I agree with Peter because, probably, we have to have the time that we have spent in the (unintelligible) organizations too, because, even though those organizations are not part of the ICANN structure, (unintelligible) or the other ones, they are needed, or they are part of the activity that we do and related to structural participation within ICANN. (Unintelligible).

Byron Holland: That's a good point.

Keith Davidson: Byron, I think the idea of the mean-- the idea that the average person responding goes to two or three ICANN meetings a year, and their average is somewhere between three and four weeks doesn't quite gel as being sensible because just your time at ICANN meetings is somewhere between two and three weeks. That's substantially more I think.

Byron Holland: Right.

Keith Davidson: People are just probably worried (unintelligible) that much time.

Byron Holland: They don't actually want to be honest with themselves about how much time they're really spending. You just did that-- You spent that much time, basically, getting here and back.

There are other activities where we're spending hard dollars but definitely don't get counted into the mix, and this is one more of those areas, which was around sponsoring activities, meals in particular. There are certainly a number of us in this room, I know, who sponsor meals, and there are certainly many others who do on a regular basis, for example. And you can see that it's pretty high in terms of people participating, at least, in one, if not two or three ICANN meetings a year.

	And here's the other one that we all know intrinsically but that out of this survey, I think, is something we want to elevate the notion of, and it's the cost and the commitment that typically cc hosts have to fund for ICANN meetings, as Colombia recently did and-- as the person doing the Toronto October meeting, I'm quickly becoming aware how much effort and cost they incur. And that's something that really isn't captured anywhere. And, yet, it's a very significant contribution to the whole ICANN process. So we definitely capture and tease it out here.
Keith Davidson:	Byron, Keith again. I think, though, that formula has changed quite a bit vis-á-vis substance (unintelligible) an ICANN meeting is substantially less than it used to be. I think, for the New Zealand meeting, for example, we expended about one man year on organizing the meeting (inaudible), so a significant resource, as well as financial costs. Notwithstanding that, I think (unintelligible) is always not taken into account by ICANN in any of their calculations or suggestions about the (inaudible) contribution. (Inaudible) make this point strongly as we go through the deck and other (inaudible).
Byron Holland:	Yeah. I think it's definitely one of the key points that we want to surface and highlight when we are out in the field communicating this.
	This was a finding or, potentially, one of the findings, although I've had subsequent conversations since this was first written, and I think it's probably not nearly nuanced enough and probably is not accurately reflecting it-- reflecting what we're seeing. And Bart has actually made some good suggestions about how it could be more nuanced about this, and that's also going back to what I said earlier about voluntary contributions, the different kinds of accountability mechanisms from formal contract to no contract and everything else-- sorry-- nothing in place and everything else in between.
	Bart, did you want to make a quick comment on--? Okay.
Bart Boswinkel:	Just that we want-- on formal (unintelligible), where do they exchange letters (ph) (unintelligible)?
Byron Holland:	When-- this finding was really around the contractual, and that's why I say this is not nearly nuanced enough. I'm not-- I put these findings up for discussion. And, in subsequently thinking about it and talking about it already, I don't like this one, and I think we need to be a lot more nuanced about it.
	But, to answer your specific question, it was talking about the very few folks with contracts. And the point that I was thinking about is you don't need a contract to be a significant contributor, and that's what it was saying to me. And I was strictly talking contractual obligation, none of the other vehicles - exchange of letters, MOUs, other-- the other vehicles out there.
	Lise?
Lise Fuhr:	I think we should be careful not making the ones that have agreements look bad in the survey. Like you said, if you turn around and make it the other thing you said before-- it as better than this one, because this is like we do this on behalf of the ones with agreements. I don't think that's the aim of our survey.
Byron Holland:	You know what? Absolutely. It's one of the things that you write down, and then you read it later and you're like - Oh, geez, that's not coming across the way I

meant it to. If all I meant it to be is to say voluntary contributions are actually a very powerful method. It doesn't have to be contracted, not that I was trying to put down the contract guys, who actually are also making significant contributions.

Unidentified Participant: Maybe I should say something what we discussed yesterday. One of the-- If you read the bottom line of, say, the arrangements out there, is that it's about something else than financial contributions. If you look at the people-- all the cc's who contribute, there are more ccTLD contributors than with an AF-- ranging from AF to a formal agreement. I think it's two-thirds have an AF, including yourself. You make a financial contribution.

I think what really was meant is there is-- the cc's make voluntary contributions. But there is no correlation, in fact, making a voluntary contribution and having a formal-- or having a kind of arrangement with ICANN because they're, in fact, two separate things. People still need to make a contribution, especially accountability framework programs-- so that's the exchange of letters and the accountability frameworks themselves are more about documenting the relation between ICANN and the ccTLD itself. And one part of it is you document what you contribute. That's one point.

What happened over the years, as well, is that we see that some cc's have increased their financial contribution significantly, if you compare it. So what is breaking down? So, in fact, there are two different-- two completely different things that we need to talk about. So that was, say, one of the suggestions-- either you say very simplistically (ph) there is no direct correlation. I don't know the other one. You can frame it different ways. But you talk, in fact, about different entities.

Byron Holland: So this is a good example of-- I put this out there to stimulate dialogue. I don't think I hit the mark. Well, I did hit the mark because it stimulated dialogue, I guess. But we still want to communicate-- I think the message-- the one that we want to communicate, which is voluntary contributions is still a powerful methodology, and the dollars funded by folks who have voluntary arrangements of one stripe or another is still a very strong commitment. And that was what I was trying to get to, although Bart has been far more nuanced about it than I obviously was.

Is that--? Back to the messages, if we want to tease out a few core messages, is that the message-- if we do it in a more refined way, is that one of the messages that (a) we actually see in the data and that we want to tease out?

Unidentified Participant: (Unintelligible) that kind of a phrase. And, probably, a simple (unintelligible) to point out that the contributions that people make and make them regardless of whether they have a contract or not.

Byron Holland: And that's probably the key point right there is that the contributions are made, regardless of the vehicle.

But part of my thinking there, too, is also because there is chit chat in the background. But the only way to get us to contribute is to do it in a contracted way, and that's why we raise the profile a bit of that.

Okay. So maybe what the takeaway is is I'll work-- I don't want to-- I don't think we should wordsmith something right here. But I'll work on another one, and I'll

push it out to the group-- or by tomorrow, though, because we're going to want to have this-- we're going to want to be in agreement before we go to the GAC and the Board.

This just highlights what we've been talking about. Again, this just adds some more color to it in terms of the actual contribution dollars. They get a little more granular and a little more detail there.

Given some of the conversations that we've had just around the council and in the strategic planning session around capacity building and, also, what's ICANN's role-- and then there were some comments about the cc's role. Actually, Sabina (ph) spoke pretty strongly that it was not the ccNSO's role to do any kind of capacity building. So that-- there are different points of view on that. But it's probably safe to say that ICANN is definitely involved in capacity building in some ways. Right? And this has just started to look at how much are cc's doing in the capacity building space, because, without a doubt, there are some cc's who are involved in it. But, as you can see from this, of the 55 who responded, a relatively small portion of them are actually involved in capacity building outside of their domestic environments, and I think that's a key thing.

Peter?

Peter Van Roste: Thanks, Byron. Peter, from CENTR. Probably there's a significant part of cc (inaudible), since-- I'm only speaking for CENTR. I'm not sure about other regional organizations. But we have a fund that can be used by CENTR members traveling to ICANN. It's hardly ever used, but, still, it's there, and all CENTR members are, as a matter of fact, (inaudible). I would be surprised if that 50% (ph) would not go up to 45 or 50 (inaudible).

It's probably just worth mentioning that these are direct ways of funding participants to ICANN, but there are other indirect ways that are not accounted for.

Byron Holland: I think that builds on the comment that was made here. Someone-- I forgot who made it-- around just regional organizations and the participation in that is part of the ICANN process, but it wasn't really crisply identified here. And that's fine. I mean, we will try and talk specifically about ICANN. Now, in the future, do we want to roll that out and say in the overall ICANN ecosystem? But, for right now, it was to be specifically ICANN.

Keith Davidson: I think the question is bringing up more questions than answers. And I think, again, the regional organizations spend a significant amount in capacity building; I mean, a truly significant amount in travel (inaudible) for people to attend. (Inaudible).

I think that, really-- sorry. For a lack of understanding by the respondents about how much of their contribution to their regional organization is being used in that fashion and probably needs to be-- (inaudible).

Unidentified Participant: I will top (ph) what Keith is saying. It's an important aspect, just the number of hours that people spend, on average, on ICANN. (Unintelligible). What is meant about our spend on ICANN? Even probably I had personnel, when I thought about it, didn't think about the time of traveling and (unintelligible) in the lines of the time I spend when I'm at home responding to ICANN processes or (unintelligible). So I think it could (unintelligible) something that we will find a way

in the future to try and sift out-- I'm not saying, (unintelligible), but maybe making this point just to make it clear in some of the (unintelligible) that there's this focus on ICANN, the actual ICANN entity but not the overall ICANN process.

Byron Holland: Yeah. And I think that's a very good point. When and however we make this publicly available, there will need to be the introduction on the assumptions and some statements and exclusions. And one of the exclusions will be this is strictly around ICANN. And we'll have the opportunity to frame the fact that many people contribute large amounts or equal amounts to their regional organization.

As a North American, we don't have one, so it's sort of-- I'll take it as a word of faith, because we don't-- I don't get to participate in any of that kind of stuff, although (inaudible) and CENTR, but there's no North American one.

Unidentified Participant: No. But, under the new ICANN regions rules, that could all change with North America getting (inaudible) countries instead of the current (inaudible).

Byron Holland: I'm looking forward to going to the Caribbean; that's for sure. We're going to schedule all our meetings in February.

Actually, I'll go to here first because this just looks, again, at the actual contributions, the mean and the median, just to give you a sense of the contributions. We've all seen the table-- the band table. I don't think there's any surprises there. It's just packaged in a different way.

Finding number three, open for discussion. Based on everything in the survey, I think it's safe to say that the gap between current contributions and ICANN's suggested numbers, and I would say they're suggested numbers at this point because, as of yet, they have been unable to clearly define them or back them up. But, regardless, the direct contributions that the cc community is making right now, today, is materially larger than what's actually being accounted for in the voluntary contribution method and accounting. Right out of the gate, of course, are hosting ICANN meetings, but seeing there are a whole bunch of other ones. So I think that the delta that we're talking about is substantively smaller than the one being posited by ICANN right now. We won't name any names-- by ICANN right now.

Now I leave that up there because, if we go out with the three messages, I'm suggesting that this would be one of them. But, you know, this is our work group's core messaging. I think there's solid ground to be on here. I think the data supports it, and I think we have hard evidence to easily prove it.

Peter Van Roste: Yes. I think that's definitely one of them. But I would slightly change the wording here in order to make absolutely clear that we're talking about those things that are not measured by just looking at the ICANN contributions. For us, it's clear, because we just went through all the slides. And, if you take that out as a standalone conclusion, then it might be somewhat confusing.

Byron Holland: And, if I could just remind everybody to say their name before they make their comment, please.

That's a good point. Maybe I could ask you to assist me in wordsmithing that a bit. But do we, therefore, as a group agree that, perhaps more refined-- but that this is one of the core messages we want to deliver? Keith?

Keith Davidson:	Very much (inaudible) the whole thing. Yes. I agree. I think Peter's right-- that the way it's currently worded is slightly ambiguous and not fully-- it lacks punch. We need that punching statement here. And I'd be happy to help work on something too.
Byron Holland:	I will take you up on that. Be careful what you wish for. Pardon me? Yes. And I've written it down.
	So let me just ask the group how-- we have, in theory, another half hour, at least, of work. How much detail do we want to go through? I wanted this to be an interactive discussion, not just a page flip of more and more data. I think we probably get the point of the data. Are there any comments at this point?
Peter Van Roste:	I was just wondering if-- how good an idea it is to keep the survey open after already having done so much work, unless we're absolutely certain that whatever comes in will, basically, underline the conclusions that we have. And, if you're not certain that they underline the conclusions, is it any use that we keep on doing it?
	So, just about-- when you're asking about the data stuff and how much detail we should dive into now, I think it depends on what we expect from the additional answers to come in. Personally, I think it might be safe to just close down the survey at this point. The information that we get on top of it could be useful for the next round or in the future. (technical difficulties). Or it could be useful in the future for historical reasons.
Byron Holland:	So that's a fair point that we make it-- close it right now or, at least, say this is a data set. We can continue to have the survey open and add some richness after the fact. But this is the data set, and this is what we're going out with. Any thoughts or comments on that? No? Okay. Lesley, you're so quiet. We're talking about money here.
	This is some more background and depth and supporting data.
Vika Mpisane:	I think it points-- let's take it to a point that details-- maybe the question (unintelligible). Do we want to go to the next stage (ph) (unintelligible)? And if it's not our intention-- our intention in terms of our plan is to go onto the next stage. Then it could make a lot of sense, then, to take Peter's point. Let's stop it (unintelligible) so that we can move on to the next stage.
Byron Holland:	Thank you, Vika. Lise?
Lise Fuhr:	I think we-- from this survey, I got a-- what do you call it? -- spinoff conclusion, and that is I'm very impressed that so many countries (unintelligible) so many monies on going to ICANN meetings, considering that you have your own organizations-- CENTR-- that you also have to take time and money to support. And I'm very-- I was surprised to see how much money and time-- and time, you know-- we put that number too low. But, still, I find it very positive. And I think ICANN should be very reassured by the ccTLDs wanting to spend time and money on supporting ICANN.
Byron Holland:	And I think, somewhere, as I said, in the preamble to whatever we deliver, we will include that this is only (technical difficulties) area that cc's contribute to multi stakeholders in our system. Keith, did you want to--? You're ready to say something.

Keith Davidson:	(Inaudible).
Byron Holland:	So we have these three messages, two of which are going to be fine-tuned, as the suggested messaging. Are there other messages we'd like to communicate or replace these with?
Lesley Cowley:	Thank you. Sorry. I was paying attention. I was just being a bit quiet for a change (unintelligible). I just think that, for financial survey findings, they're a bit short of figures. So this one, in particular-- so the GAC-- you know, between X sum of dollars differs from the sum of dollars we've calculated would be a bit more of a (unintelligible).
Byron Holland:	So, same message, but back it up? Put some punch to it. Put some muscle with some numbers. That's a good suggestion. Any other thoughts? Any other--? Would we want to replace one of these three with some other theme? Did anything else jump out at you?
Eduardo Santoyo:	I was-- I don't know (ph) what to bring to the table again the number one. (Unintelligible). Which is the message that we are going to (unintelligible)? (Unintelligible) use the least amount of (unintelligible). What are we trying to say to the community with this? That we have costs subsidized or not? Which is the message? I am not clear. Or are we trying to impact them saying this? I am not clear on that. Why (unintelligible)?
Byron Holland:	I'll take a shot at it, and then we can all make a comment. I think what's being said there is those that can pay do, and those that don't have that capacity are not, which is fine. And that's perfectly fine. Those that can are. And, yes, we're paying more than the dollars of services we're receiving. And the community, by and large, appears to be okay with that. Those that are less able at this point in time, and I think that's another thing to remember-- at this point in time. It doesn't mean it's for all time. At this point in time, those who are less able to pay but require some of those capacity building services-- that's fine with the community.
	And that's also-- maybe I can extend this a bit-- perhaps part of ICANN's responsibility here. They're the ones saying they're spending all the money doing it. And, as part of their role in the ecosystem, they should be fine with that too.
	What we have talked about, per se, too, is there is still, really, going to be a gap between what ICANN says and the dollars that we're spending. And I think we still have the discussion about: do we need to up our game in terms of contributions? And this is some of the supporting material for that. I think the gap is much smaller and that we recognize that those who have the capacity to pay are paying and are paying substantially more for the services they're receiving but that the community is okay with that. I think that's the message that we're trying to-- I think that's what we're trying to deliver here. Keith?
Keith Davidson:	There's a slightly worrying little angle in that. There are some ccTLDs who are doing, financially, particularly well who are not particularly well engaged in ICANN or in the regional organizations and don't contribute anywhere, if they can avoid it, though they're quite relaxed about .za contributing as little as it does because it subsidizes them. And they're quite relaxed about taking that as extra profit themselves. So there is also an argument about the inequality or inequity of the game (ph). But, by and large, I think it's hard to argue with the concept that most of us pay more than (unintelligible). And we pay more than just the dollars (inaudible). I think that's what you presented here quite succinctly (inaudible). I

	don't think we should go any further. I don't see any other strong message (inaudible).
Byron Holland:	And I think, as part of this, we acknowledge there are some free riders. And you know what? In most industries, there are free riders. I don't know. It's just there always will be. We want to, hopefully, bring them on board over time, and the majority of us are not--
Peter Van Roste:	Probably, this is not the right place and time, but, when you're looking at that gap, one way to close that gap is to increase the contributions. Another way is to reduce the costs that they keep on assigning to us. So could one of the findings be that, looking at the pretty low usage of some of those services-- asking the question whether it's more valuable for ICANN to provide these. If you look at the availability of ICANN proceedings (ph) (unintelligible) languages, probably about 3 of the 55 ccTLDs find that useful. And it's incredibly expensive, especially if you match that particular graph on slide 7 with the costs to ICANN. I think that would be-- this one or the one before it. If you match that to the costs to ICANN, it would be very interesting to see where the large-- how relatively useful they are. Would that be another finding that we actually need to question the provisioning of that type of service?
Byron Holland:	Any comments on that?
Eduardo Santoyo:	(Unintelligible) Peter says. Again, the first statement that we have-- that we want to express is that, as we have been discussing in the past, we don't really want to have a proportion between the financial situation of the ccNSO community (unintelligible) costs for ICANN of our activities. And what we are saying right now is it doesn't matter, because the people who use the-- minus-- or less use the services of ICANN are the largest contributors from the cc community. They are not (unintelligible). They are not a proportion between the use of the services or-- and the amount of the contribution. That's at the core (ph) of the discussion (unintelligible). That it's not completely agree (ph) that we are trying to (unintelligible) to ICANN in the past. We really want to contribute in a proportion of the cost that we generate for ICANN.

And, probably, say this. We are not taking the point to the free riders because say that the people who contribute the largest financial-- who make the largest financial contributions use the least or the minus services of ICANN. We are not saying nothing about maybe free riders. We are saying that message first. We are saying, then, that doesn't care the services that we use of ICANN. The contribution will be made on a voluntary basis (unintelligible). |
Byron Holland:	Lise?
Lise Fuhr:	I think it's very important that we stress that this survey is made while we don't have the actual numbers on spending on the ccNSO group because I don't think we've got that from ICANN yet. They have given some overall figures, but it's not-- they haven't been able to specify what money (inaudible). So I think it's very dangerous to go into this-- bring down the cost while we don't know what the costs actually are on the ccNSO group.
Byron Holland:	Well, maybe it's not about bring down the costs, per se, in the context of the way you're describing it. It's more about those services are not being well utilized. How do we rationalize them?

Peter Van Roste:	While it's true that there are no accurate figures, I think we've got some indication on some of those. And that's why-- I seem to remember that translation was exceptionally expensive. I'll try to track where I got that from. But we have some data to go along.
Byron Holland:	Well, I haven't looked at those numbers in a bit, but maybe somebody will recall. It seems to me that the numbers they broke down showed that there was about $2 million and change of direct expenses against the cc community and $7 million of allocated expenses. Is that roughly--?
Unidentified Participant:	$2 million direct services, which includes services with the secretariat and travel funding. Then there were some shared services which would include IANA (ph). And then there was $7 million overhead. That was the breakdown, more or less.
Byron Holland:	Right. So, about bringing those expenses down-- Keith?
Keith Davidson:	I think-- that is important that we've probably got a couple of statements pre the findings, and one is the statement that we need to have granularity over this-- ICANN's financial-- or suggested financial expenditure on cc's. Until we get that, we're in no position.

The other is probably to make some comment about what is a formula that may be arrived at. The ccNSO in itself is not empowered to go and collect money or (inaudible) or have anything to do with that. For the other 126 ccTLDs that are not needing those and so on-- how ICANN will collect or not collect fees or (unintelligible) liable or not is totally beyond the scope of what we can do (inaudible). So I think we need to be clear on, probably, both those points from the outset but definitely not (inaudible) balance ICANN's books (inaudible). |
Byron Holland:	Good point, Keith. Lesley?
Lesley Cowley:	Thank you, Byron. I was just going to make the point that we need to be careful what we wish for. So, to me, I guess, we could position this as we're doing some work to inform this discussion, and we're ready to have the discussion with you. There is-- We can't do something like this without expecting a reaction of some description. And maybe that needs some kind of tactical thoughts as well. You know, there is a real danger that we could back into some quite argumentative territory here, which I don't think is particularly constructive for anybody. So, you know, from point of view, if we position this as more information to inform the dialogue, then that's great. If we push too hard, we must expect we will get quite a reaction back. Just a note of caution there. And I feel as strongly as everybody in the room about this subject. I'm just kind of thinking, if I was on the receiving end of this, (inaudible).
Byron Holland:	Yeah. The tactics of delivering the message are going to be almost as important as the message itself. I absolutely agree with that. Vika?
Vika Mpisane:	Yeah. Maybe if I can just ask (unintelligible). If I could take a cue from Lesley just said, from a tactical PR point of view, public relations, you (unintelligible) audience. So I think, when we pass on the messages to the cc community (inaudible), we need to be careful (unintelligible). Maybe it's because I come from a region really struggling (unintelligible). There's nothing wrong with the truth. The truth is the truth. Sometimes it (unintelligible). And it is the truth that the cc's that contribute the largest probably are the ones to use ICANN services the least.

But how do you want to pass on that message to the cc community is important so that it does not, one, create (unintelligible) the larger contributors but to reflect on themselves. Why do we pay so much when even this proves that we're not using ICANN services so much. On the other side, for the smaller guys or those that don't contribute at all, then it creates (unintelligible) area of defensive mentality (unintelligible). I have no say there. Can't (ph) participate (unintelligible). I'm not going to (inaudible). But (unintelligible) message quite carefully and cleverly for the cc community so that it's not-- it does not have an impact of (unintelligible) contributors who continue to contribute the way they do.

Then you can (unintelligible), you know, and put it on a premise that is clear, that we came to where we are based on just financial data. So I remember early last year or so. (unintelligible) controller gave us some figures, and they expect it increase at that time. We did not know (unintelligible) figures. So there is another message from which we can premise what we are saying here. (Unintelligible).But, on the one of the largest financial contributors, I just think it's important to probably rephrase that message (unintelligible) cc community to say (unintelligible) ccTLD contributes as much as (unintelligible) of the amount of services that they use from ICANN. And then go on to make this point-- that the survey shows, for example, that the largest contributors use the least services. Something along those lines is what I think will be polite enough for the ccTLDs (ph).

Byron Holland: I absolutely 100% agree with you because the goal is not to bifurcate the community based on contributions. I think we all recognize that a robust, strong community in total is what has value, not bifurcated between those who are contributing more and those who are contributing less. So I absolutely agree that how that message gets delivered-- all we're doing is delivering "the facts." But how it gets delivered needs to be nuanced and respectful; absolutely.

Any other comments or thoughts in terms of messaging?

In terms of timing, one of the key elements that we're still missing is the detail that ICANN has committed that hasn't really delivered on yet, in order to help us understand our commitments and contributions vis-á-vis what we cost the organization. So we're still working on that. And those of us who were in the SOP sort of heard it again, even though box was ticked off, the financial application and enterprise system was done, it's obviously not done, done. So we still await that, which means our initial schedule and timeline may not be able to be completed as we'd hoped for, which was in the October meeting-- the Toronto 2012 meeting, because we've done the model analysis. I think we've received the survey information and have data. The third piece of that is: what are we really costing? We haven't had that.

And then, of course, the actual discussion around, all right, we have all those bits and pieces; now what are we going to do? And how are we going to put something that's acceptable to the community and clear? And I would posit that those up our game in terms of contribution but at a realistic level, and I don't know what that looks like yet. But it's hard to say when we don't know what we're actually shooting for.

Unidentified Participant: (Inaudible).

Byron Holland: Sorry. Can you repeat that?

Unidentified Participant: (Inaudible).

Byron Holland:	Bart Boswinkel.
Bart Boswinkel:	It's-- so, what you just discussed-- make that part of the presentation to the Board, as well, and maybe retract on what was discussed at the Dakar meeting. There was a session with Steve precisely on this, and there were some, again-- for instance, in this instance, the Board was waiting for progress as well. They don't have a figure, et cetera. Maybe this is a moment to again reaffirm that message. We all-- I know the Board is waiting for it. The cc community is waiting for it. I can (ph) dig it up.
Byron Holland:	Well, we all know who that was. Peter, did you have a final comment?
Peter Van Roste:	I was thinking about Lesley's comment on-- that's very important how we bring this. And, obviously, I understand the value of being strategic in how we bring it. But I would also caution folks need to try to really state our views very clearly (unintelligible). This is, again, (unintelligible). I remember from the first survey that we did (inaudible) for that tremendous work that we did. And it didn't get us anything at all. I really would like to avoid that with this exercise again. This is really something that should get the Board's attention-- the (unintelligible) community's attention. And we should move forward now to the next step, first of all, to finely get us what we've been asking for for many years, at least (unintelligible), probably a long time before that. There is absolutely no point in doing this exercise every two or three years and still ending up empty-handed. So, if this would be a CENTR thing and I would have to advise my Board on how to communicate it, I would basically make this a last (unintelligible). This is the final time that we're trying to get you all the information that you need to get your act together, work on your filing system (ph). It hasn't been a year since Singapore, where somebody-- they lost $2 million. (Unintelligible). So it's time to move on, and this is the final contribution (inaudible).
Byron Holland:	Double-counted, I think. Right? I can imagine how that would have gone over for me with my Board, and I'm sure all the rest of you--
Lise Fuhr:	Well, I think I place myself sort of in the middle of Lesley and Peter. But being a part of Peter's Board now, I will try to-- I think it's very important that we do, like you said, Lesley, put in numbers. Here are the findings with numbers. So we can say, well, this proves that the findings are valid. It's not something we dream up from the questions. We use the numbers to make our point.

And I agree that we shouldn't be too shy to present the findings. I think-- well, they have had their time to give us the real numbers of their spending on the ccNSO group. But still, again, do it in a way so we don't-- you know, I agree with Lesley. |
Byron Holland:	We want to keep the dialogue constructive.
Lise Fuhr:	Yeah; exactly.
Byron Holland:	But that doesn't mean you can't be--
Lise Fuhr:	No.
Byron Holland:	-- forceful about a constructive dialogue.

Lise Fuhr:	The pressure you put on you have to expect to get back. If we want that, we just have to be prepared for what to do next. I agree being tactical is very important.
Byron Holland:	Any final comments? So I know that I've now roped in Keith and Peter to help with a little wordsmithing. And, over the next day and a bit, think about how to fine-tune the message.
	(Unintelligible) GAC Tuesday or Board Tuesday? The Board's Tuesday. GAC's Wednesday. Okay. So fine-tuning the message for each of those. Nothing says Tuesday morning like a finance presentation. No. It's not-- No.
	Okay. Well, thank you very much. Good discussion. Thank you. Look, and I gave you back three minutes!