SAN JUAN – Joint Meeting: ccNSO & ICANN Board
Tuesday, March 13, 2018 – 11:00 to 12:00 AST
ICANN61 | San Juan, Puerto Rico

KATRINA SATAKI: It's my pleasure to welcome the ICANN board of directors here in our room. Thank you very much for coming. It's great to see you moving.

CHRIS DISSPAIN: Thanks for the exercise.

KATRINA SATAKI: Happy to provide some.

Okay. We have received several questions from the Board. We also have some made some of our own.

The first one, what are our key goals in this year?

On Sunday, we had a discussion with ccNSO -- within the ccNSO council and with the chairs of our working groups. We will provide a more detailed report to our community later today.

But we tried to identify priorities and things that need to be done. But -- at the same time, we acknowledge the fact that a number of volunteers to do the work is not that high comparing to the workload.

Therefore, there is a clear need to set priorities to prioritize the work that we're doing.

It's clear that for us the most important thing is our PDP. We do not run many of them; but, when we do, we do. And that is really important for us.

We also participate in some cross-community work. We also are members of the empowered community. And we take all those responsibilities very seriously.

Currently, we're discussing our draft guideline on the rejection action petitions and how we can exercise our right to submit them to participate in the work of ICANN.

And some of the questions that we submitted and some of the presentations or discussions we're planning to run today will cover that aspect as well.

Any of my colleagues would like to add anything? Nope? Okay. Then the next question: What are our most relevant longer term goals?

I think that also is very related to what I just said. We are talking a lot about, yeah, getting more people on board. How to ensure that we can achieve all those -- or goals and objectives that we set for our ccNSO community and probably even to a wider ccTLD community.

Yeah, we plan to actively participate in all the work. But, yes, the problem is still our -- the workload of the -- all the things that we need to do on our current volunteers.

I think that -- do we have the recent question that we received from the Board? Is that here? No

Okay. Then, we received --

CHRIS DISSPAIN: Can I make a comment?

KATRINA SATAKI: Yeah, sure.

CHRIS DISSPAIN: Thanks, Katrina. It just struck me that on the longer term goals, bearing in mind that ICANN -- we're embarking on the strategic planning exercise for the next strategic plan for the whole of ICANN. It struck me that it's not a goal necessarily, but certainly a factor for the ccNSO to think about is that five years ago, a whole heap of things that currently -- a whole heap of things have changed in five years.

For example, five years ago there was a very, very clear line between ccTLDs and gTLDs. That line is getting blurred in the sense that there are now ccTLD registries that run gTLDs. There

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are -- there's an increasing amount of work being done on country names being used in the gTLD space and two letters being used in various different guises in the gTLD space.

So I just wanted to mention that in passing that, when you come to look at your -- the goals and the way you're going to work for the next few years, having enough people who are prepared to do the work to be able to contribute in that wider circle rather than just in the ccNSO-centric policy development circle I think is critically important. Because otherwise the CCs are going to lose track of a whole heap of stuff that's going on in the new gTLD space. Thanks.

KATRINA SATAKI: Thank you very much. When you say that we're at risk of losing track, I want to ask a provocative question. Does anyone have -- is anyone on track?

CHRIS DISSPAIN: No.

KATRINA SATAKI: So probably us losing it wouldn't be that tragic. But, yes, of course. That is true what you are saying.

We need to keep an eye on -- but we do not work in a silo any more. We have close collaboration with other SOs and ACs. And, yes, that is why we need all the people who are able to participate in the work meaningfully and contribute their time and effort and their knowledge at the end of the day.

Anyone would like to add anything from the audience or from here? No.

Then recently I received another question from the Board.

It's with respect to -- I have a problem to read it.

"Public comment proceedings seeks community input on the recommendation that SO and ACs that do not currently employ due diligence, integrity screening process similar to the Nominating Committee adopt the proposed uniform board member integrity screening process."

Would the Board like to comment? Yes. Becky, please.

BECKY BURR: Yes. I think that everybody may recall that there are questions raised about the fact that the NomCom and some of the SOs and ACs have utilized an ICANN-provided background screening process for board director appointments.

And some of the -- some party -- some parts of the GNSO and the CCs, for example, have not.

And the members of the ICANN board, including the CC-appointed members of the board, the GNSO-appointed members of the board and a couple of others, voluntarily agreed to be covered by the background screening. That process was undertaken following Abu Dhabi.

We created a subcommittee on the Board to review the evaluations. They did the -- they did review the information. Reported back that there were no concerns, red flags. And so that process has been undertaken.

Having said that, we thought that it was a useful conversation to have with the community about whether or not this was -- is sort of a best practice to have a sort of standard approach to background screening for members of the board of directors of ICANN and to ask the community organizations that appoint members to consider whether they would like to make use of that. There's a blog out on this. We're looking for comments and input. I think -- I believe that there seems to have been a lot of acceptance that it was just basic good practice to do that.

So, really, the offer is to make the ICANN background evaluation process available to the ccNSO, to the GNSO for its appointed members.

KATRINA SATAKI: Thank you very much. Demi.

DEMI GETSCHKO: It's another issue. But just to raise the question, I was in the meeting yesterday of cross-community things.

And I want to know if there is any strategy of ICANN to participate in the plenipot of ITU. Because I'm a little bit worried of some dangers in the area regarding CCs and IPs and so on and so. Then how is the planning of ICANN to be in Busan meeting? Thank you.

KATRINA SATAKI: Thank you, Demi. We will take that question later. Now we're still talking about due diligence and screening.

Yes. So, during our meeting in Abu Dhabi, it was news to many in our community that we are one of those few who do not run any screening of our board candidates. But, yes, we recognize that maybe it should not be any different than other SOs and ACs.

We've had extensive discussion on the council. We have several proposals on the table how to address those issues.

We talked about our current nominated board member. He agreed and I think already made necessary steps to participate -- to voluntarily undergo all the process.

And I see that -- Okay. He's not nameless. It's Nigel Roberts. The name is Nigel Roberts. Probably will comment more on that. Yes, please, Nigel.

NIGEL ROBERTS: Yes, thank you. It's not exactly a secret who won the election. It's a very good idea that we do this screening.

I think in the case of the ccNSO particularly and I don't know about the other SOs. But we elect board members. And there's some timing and issues. It's a representational election.

I can confirm, however, that, as promised in my election speech, I provided consent to ICANN taking whatever background research that it wanted to. And, in fact, I proactively supplied ICANN legal with a copy of my U.K. national police disclosure. So, hopefully, in terms of the instant position, everybody is reassured.

As far as going forward is concerned, as I say, I think what we need in the uniform procedure is going to be objective criteria. At the moment all I see in the proposed list is timing. I think it needs a little bit of work. Thank you.

KATRINA SATAKI: Thank you, Nigel. Chris and Mike.

CHRIS DISSPAIN: Just to be very clear -- and we don't need to spend too much time on this, because we have other things to talk about. But just to be very clear, if you decide to go with the existing process, which is what I would recommend, because it's easy and simple, you do still have to make some decisions.

You have to decide when you want to do it. For example, at-large does checking on all candidates before the election.

It's different than the Nominating Committee because that's completely confidential. So, whereas, in the SOs and ACs, it's kind of public.

So you need to think about the timing of it and when you want to have it done. Then you need to think about the process for which there is -- the process to do with the results. What happens in at-large is -- and on the Nominating Committee is that the reports go to general counsel. General counsel looks at those reports. And, if there is an issue, general counsel takes it somewhere. Now where is the somewhere?

You need make sure that whoever gets any information is completely bound by confidentiality. Can't make that information public.

But so Nigel sort of covered all that by saying there needs to be some process work done. We'll happily help you to get through that so that it can all be organized quickly. It's not complicated, but the decisions do need to be made. Thanks.

KATRINA SATAKI: Thank you very much. We did our homework. We researched and consulted other communities. So we have some summary of what's going on in all communities.

And, as I said, we have several proposals how to address it. Yes, they have to be discussed and implemented in our board nomination guideline.

Mike, please.

MIKE SILBER: Chris said everything I was planning on saying. So move on.

KATRINA SATAKI: Thank you very much. Okay.

If there are no more questions about this particular question, we can move forward. And yes. Since Demi already asked his question, maybe we can start with that one. And my understanding is Chris is ready to address it.

CHRIS DISSPAIN: Well, we -- yes, Demi. If I understood you correctly, you were asking a question about are we going to -- is ICANN going to be involved in the ITU plenipotentiary, et cetera?

And the answer is yes. We will be there. The best person to answer that question as to exactly how it will be done is Tarek. If it's okay with you, I'll take it off line and I'll get Tarek to respond.

KATRINA SATAKI: Thank you very much.

So here you see our questions, especially that we submitted in advance to the Board.

So the first is about communication between the ICANN board and the ccNSO regarding board's decisions, especially when they affect the ccNSO, particularly its workload and priorities.

And here I would like to mention a specific example. And it was the Board's decision on emojis. And the Board advised the

ccNSO and the GNSO to work together with SSAC to understand the impact of emoji, use of emoji as second-level domains. Yes.

The thing is that, luckily, we follow -- sometimes we do read the Board's resolutions. And we discovered this particular thing that the Board wanted us to do. But that raised some questions how do you actually communicate? Is there any mechanism that you could inform us about this decision so that we can first react. And, second, how do you follow up this decision?

I'll mention another example. Just a couple of days ago I discovered that there is a Web site -- on ICANN's Web site there's a page dedicated to advices received from ACs and you can actually see how many advices are being received and how -- and what phase they are. Unfortunately we failed to find something similar for SOs, particularly for the ccNSO. So is there any way we can address this and make sure that we can -- well, first, we learn about this board's decision that -- yeah, it doesn't impact our workload and our priorities. It will be interesting to follow --

CHRIS DISSPAIN: So I've got a very simple answer to your question which is yes, we need to have a process to make sure that you don't find out about stuff just because you happen to be reading a blog. So we understand that we need to -- we need to communicate

decisions more clearly, and so we're going to get staff -- or ICANN org to work with you to be -- to get comfortable on the system so you get regular and timely notices of stuff that affect you. What that looks like, whether that's a letter or whatever, it doesn't much matter. We can work on that. But we agree it needs to be done. It will be done. And hopefully it will be done quickly.

KATRINA SATAKI: Thank you very much. Any other comments? Ram.

RAM MOHAN: Thank you. This is Ram Mohan. One of the things that I wanted to really compliment the ccNSO in doing was, you know, the board passed this resolution last year and it was delightful to see that in January of this year there was a letter that came in that said, you know, we -- we're going to include a session on tech day. You're starting a process to do a study group, and on top of it, you were going to check references, you know, in the fast track program as well as the cc -- IDN ccTLD PDP. And those were very specific responses, you know, to -- to that request on, you know, do further work. And I -- I think that's a really good model that we should hold up. Not -- not just in here but to all the other communities, you know, of a -- of a request response mechanism that I think is really working well. The response is

working well. The mechanism isn't yet, as we just talked about, but the -- the response was specific, substantive, and focused. And one of the biggest concerns -- and there was -- there was a discussion in the -- in the SSAC public forum that happened about emojis and what to do about emojis, and one of the things that were said there was, you know, on the gTLD side they are banned by contract. So the enforcement can be done by contract. But on the -- on the cc side, there is no such equivalent mechanism, right? So what you're doing here, especially referencing what you did with the wildcards, gives, I think, a lot of comfort in terms of carrying out the security, stability mission. So thank you very much.

KATRINA SATAKI: Thank you very much. Yeah, that was just one of the examples, and as I said, luckily we picked it up. Didn't just, you know, woke up a couple of years later. That's why we really think that a good mechanism would be really necessary here. Yes, and discussion -- yeah, as you already mentioned, it was mentioned in our letter, we have started some initial work to look into the issue. We discussed it yesterday where the GNSO is -- in the board's resolution we're supposed to kind of work together. They haven't done anything yet, so we will try to. But as you said, yes, perhaps it could be resolved by contractual obligations of gTLDs.

Yeah, but so we are working on it. But yes, we would like to have some proper mechanism. And I heard that Chris just said yes.

CHRIS DISSPAIN: Yes.

KATRINA SATAKI: Okay. So thank you very much. Any other comments on that? Okay. No comments.

Then let's move to the next question, and that's impact of the leveling of ICANN's funding on ICANN's priorities and priority setting mechanisms. So I would like to ask -- yes, Giovanni -- Giovanni will just briefly summarize the comments that our strategic and operation committee submitted in response to the draft ICANN budget. Giovanni, please.

GIOVANNI SEPPIA: Thank you, Katrina, and thank you for the opportunity. Indeed the ccNSO strategy and operating plan committee submitted last week their comments to the fiscal year '19 operating plan and budget of ICANN. We had a constructive discussion last Sunday when -- you know, usually have this discussion with the ICANN finance department, Xavier and his team. And we put forward, and we, let's say, provided further elements for Xavier

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and his team to respond to our concerns and comments. The key points are again, that we are -- perceive the fact that in the preamble of the fiscal year '19 operating plan and budget there is an acknowledgment that ICANN can do better in terms of long-term financial planning. This is something the working group, which is now a committee, has been highlighting since several years. We are always reiterating one point that is try to make the plan which is now which is now made of six documents as user-friendly as possible. We believe that this is not the case yet. There are some, for instance, metrics and indicators that are in one document while actions and goals are in another document. So if you are not -- do not own the language and if you are, let's say, struggling a little bit with time, let's say that is not so easy to go through all the six documents and have a clear picture of what is the plan. So we keep saying to ICANN if it's possible to make a further effort to have this plan in a more user-friendly format.

Regarding the funding, we keep saying, as we have been doing in the past two years for fiscal year '17 and '18, we keep recommending ICANN to be more prudent when it comes to the projections for the funding and growth estimates, especially in the new g water, in the new g environment. And also, one of the comments that was put forward for fiscal year '19 is that we would like to see, you know, the rationale in, you know, in the

plan because we see that there are some cuts but there are also continuous growth in head count, and Xavier, during the meeting we had on Sunday, provided us with some initial elements to address our comment regarding the continuous growth in head count against, again, budget cuts in other areas of the planning.

And let's say that one of the other comments that we put forward is that we would like to understand and have a better picture if the budget cuts in some areas are the outcome of an assessment of certain activities and the added value that those activities are providing to the community or are just, let's say, cuts that are done, you know, a bit randomly to see where, you know, we express some -- some comments in the past but, for instance, they increase budget in travel and then this time in fiscal year '19 we see cuts in terms of travel. So we'd like to, again, understand better the link between the budget cuts and the priorities in the ICANN planning.

That said, we were also informed that ICANN will soon start the process, which is in the first slide that we have seen at the beginning of this session of the ccNSO meeting, ICANN will soon start the process to produce a strategy plan for 2021, 2026 and we'll be happy like we have done last time, to get involved. We understand that this time it's going to be more important for the different stakeholders, the different constituencies, to highlight

what are the priorities, and, you know, that's extremely good, but again, we would like to be reassured that we have enough time to put forward our priorities, our wish list against, you know, ICANN and the whole team.

And one last comment is that I've been with my predecessors in this committee for quite several years. I must say that the progress that we have seen in the production of these strategy plan and operating plan and budget's been great, enormous. So compliments to all the ICANN staff who was behind this planning. There's still work to do, but again, if I look back ten years ago what we were seeing, what was published, there is a huge gap in terms of the quantity of information and that's very good because that allows me and the other working group committee members to express views and to support or produce, let's say, input that at some point ICANN may take on board, at least consider, for again, further improving the plan. So those are my initial, let's say, comments, and all the committee members are always happy to continue to engage, work with ICANN and with the ccNSO community to make sure that again, the work in progress is like Romans used to say "ad meliora," so to the better. Thank you.

KATRINA SATAKI: Thank you very much. Cherine.

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CHERINE CHALABY: So you've said a lot of things. I'm going to try to parse this into three components. One is you've made comment about the FY '19 budget. And then you talked about the strategic plan and how do we set priorities and how do we get all involved in it. And then there is an implied question in what's said there about the absence of a mechanism for resolving contention when there is -- when there is requests and priorities from different part of the community to a limited number of resources. So I'm happy to address the last two parts about the strategic plan and the contention of resources, i.e., the priority setting mechanisms, but I think the FY '19 budget, any comments, I'd leave it to Goran and Xavier, if you wanted to address Giovanni's direct question for this year's budget. And then I'll pick up the other two.

XAVIER CALVEZ: Thank you. This is Xavier Calvez. I don't have much to add to what Giovanni said. He clarified and emphasized a number of the comments that have been submitted, and as we have discussed with his group, we are going to answer those comments as part of the public comment process. But it's always very helpful for us to be able to interact with a group who helps us understand better the comments. So we're going to be

MIKE SILBER: Just take the praise, Xavier. Take the praise that was given.

XAVIER CALVEZ: Oh, that was assumed already. Thank you.

GORAN MARBY: Hi. My name is Goran Marby. I'm speaking in a personal capacity, and I work for ICANN.

[Laughter]

I've always wanted to say that. So these are very serious questions, and it's important for me now actually to say the same thing that I've been saying to all the other ones. Maybe I should -- I promise there is some IT engineer who thinks oh, no. But I want to face you. So let me go through a couple of things so you get the same info as everybody else. And they're going to go asleep.

So first of all, yes, we have less funding going forward. There's not a big difference. We actually more or less have the same funding that we had a year ago. And that's important. But what happened is that about 80, 85% of our cost base is actually

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already fixed. It goes to meetings -- break it down to policies set by the community, things that comes out of reviews.

These are meeting strategies that we have compliance. A lot of those things. Actually -- A lot of those things are about 80, 85% of the budget.

So what we actually talk about every year is the 15%, which is something we can easily move around. That's why the numbers become so small.

So one of the things I realized during this meeting is that we are now starting to talk about the 85%. For next year's budget, we have nine reviews running. I can see the expression on your face that you are really looking forward to have to run nine reviews. And one of them is a big review, an accountability review, which is in the bylaws. That in the budget is $700,000.

And we always talk about this from a fatigue perspective, and that, you know, we should actually do some policy work together. So one of the things I think they're going to come back from this, I will actually make a proposal because these kind of changes have to be done in dialogue. I can't make that change because in the end, it's like the budget, you make that decision.

So if we -- you know, practically if we took away one -- move that for a year or two, that's $700,000 in the budget. If we decided

together that we would have four running reviews per year, we will save a million dollars per year on budget. So these are now -- we start talking about 85%. I think that's very, very important.

And I don't know if Xavier told you this, there is just one notion. We're doing cuts everywhere. For instance, already this year, because this year we have $8 million less funding than expected. So we have exchange programs internally to make sure that we can't spend more money than we have. Therefore, we are actually taking costs -- taking down costs already this year.

That's why it's so cold in this room. I'm just making sure that you are still awake.

Next year in the budget, we have internal ICANN org savings for about, I think it's, $8.5 million, 6 1/2% of the budget. One of the mechanical problems is -- it sounds like I'm complaining, but I'm not complaining. Because of the rotation we're doing with the meetings, we decided to go to Japan because we've never been there. And that is a more expensive place to go than many other places, but it's still a good thing to go there.

So next year, for instance, we're actually increasing the amount of money that we do for travel support for the whole community with about -- I think it's 13% or something like that. I'm looking at Xavier somewhere. 12. Thank you.

And we are actually taking down the travel support for ICANN org with about 10%, I think. 12. Is it 12 both sides?

[Laughter]

Okay. 12. I should be able to remember that.

And these are the mechanics we have to start talking about. The Board is taking cuts as well. They are rearranging meetings, new travel policies, everybody. It's just that we tend to speak about the 15%.

One more thing. Why do we always speak about the 15%? I realize something in conversation with you. The way we do the budget process is too much like a company. We don't give sufficient time for a real dialogue between us, the Board, org, and the community.

So I'm starting to think that I will actually propose that we can -- it takes 15 months to do a 12-months budget because of some mechanics we set up with the IANA functions as well. Maybe we should rethink that and do a two-year budget cycle, so we can actually make a decision and actually have a dialogue about the things that are important to us which fits very well with the Board's notion that we have to be better looking around the corner so we engage in the discussion and give us time instead of this I have to throw the first stone because that's my job. And

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some of you think that it was too big or too small or something, but I have to do that.

Now we're in the process of the dialogue which just ended. You submitted comments to us. It's a very short period of time. At the same time, you are actually running eight reviews and doing I don't know how many PDPs. And you are probably -- some of you at least have a life as well.

So I just want to say these things because I also said them in all the other meetings as well. Thank you.

KATRINA SATAKI: Thank you very much, Goran.

Yes, reviews cost a lot. For example, the upcoming ccNSO review costs $250,000. Yes, if we -- for example, let's forget about the review. Give it us in cash and we'll do what's in important for us.

[Laughter]

Cherine, back to you.

CHERINE CHALABY: Okay. Thank you, Goran, for addressing the FY19 question.

So the other two questions that Giovanni brought up, one of them is to do with the strategic planning exercise and how do we set priorities in there. So that's going to be a really important exercise for all of us. And the last time we did this exercise was to produce a plan in 2016. It was a five-year plan. And we never really costed that plan. We said -- we set a strategy, and the strategy was to become independent, global, interoperable, everything. If you read it, it's there.

What we did is develop an operating plan, five years for that strategy. Again, we never costed this five-year plan. And every year we took a year out of that plan and produced a budget and gave that budget to the community together with that particular year operating plan, i.e., all the projects and all the activities. And the community would comment on that.

And now as we see, we are in the kind of third year or so of the plan and then suddenly the funding is leveling. And we are saying, Wait a minute. We didn't -- we didn't foresee that the funding is going to level at year three of the strategic plan. And now we are telling everybody we have to be more conscious and more effective in the way we are spending our money. Hence, quite a bit of discomfort around the place.

There's absolutely no reason to panic whatsoever because we still are funded solidly. But we have to be a bit more prudent

because in the past, you could exceed the plan and come with requests halfway through the years. But there was always more funding coming through and we had the flexibility to meet that.

That flexibility unfortunately, has now been very, very limited. So we have to be more prudent and pay a lot more attention to the budget. And I know the CCs have always been very careful at looking at the budget anyway.

So we want to have a different approach to building this next strategic plan, operating plan, or the technical plan. Some people call it a technical plan.

That plan will have three components. It will have a vision, a mission, and strategic objectives. We will have to ask ourself the question, is: Will our vision by the year 2025 differ from what it is now in the current strategic plan? I made yesterday the comment that it's unlikely to change substantially. But some other members of the community said: Are you sure about that? We need to -- we need to think about that.

So one of the things that you need to make a contribution is: How do you see ICANN in the year 2025? Is it the same as today from a broad perspective rather than a technical perspective? Or you see a different type of organization. So your input on that is very important input, empowered community.

In terms of the mission statement inside the new plan, I think this is going to be -- have to be aligned with the bylaws that we've just approved as part of the transition. So, therefore, the third element is really going to be where the heavy work is going to take place, which is what we call the strategic objectives. And to do this right, we need to start by thinking and understanding what are our internal strengths and weaknesses that could really stop us from achieving our mission and vision and what are the external trends and forces that can also have an impact on our ability to achieve our vision and mission.

And yesterday I gave in my speech an initial list of about ten of these forces and weaknesses. And I know that ICANN org has already organized some sessions with some stakeholders here in San Juan, but apparently the scheduling is not permitting it to happen across all of the SOs and ACs. So we're spreading the work between here and Panama so that everybody makes a contribution.

But I think your contribution and your vision from -- from the outside looking into ICANN saying: What are the forces that can really impact ICANN's ability to be what we want it to be in the year 2025? So we have to -- we'll have to organize this very smoothly and have a process which allows everyone to contribute to that. Okay?

And once we do this and once we develop a five-year plan to implement that strategic plan, we will have to set the priorities in there about all the activities that we're going to do. So we don't necessarily have to reinvent them every year, but they'll be there. They'll be costed. And we will know that we can afford it. And it will be, in my view, an iterative process because we'll come up with a plan. We'll then produce an operating map of how to do it. We'll cost it and say, Well, that strategy is too expensive. Then we go back to the community and say, We have to adjust that. So the community then provides an input. And we go through an iterative process until we find a realistic plan.

We did not do this last time. We just agreed on a strategic plan, agreed on an operating plan. It was sequential and then went on and executed the first year of it. This time it will have to be an iterative process so we know it's affordable and the priorities are set in the right way. So that is as far as the strategic plan is concerned.

Now, going back to the question you have here about priority-setting mechanism, I want to go back to something that Jordan Carter asked -- it was in -- I think in Johannesburg, right? Yes, it was in Johannesburg, said who sets the priorities in ICANN? There was this debate. Jordan said it should be the Board. And I think I and others said, It should not be the Board. I think that question is still lingering.

And it really only matters when there is contention for resources and contention for resources -- so two parts of that question is. One: Are there contention for resources occasionally? Yes, there are. Definitely. All right? Even if they are part of a plan. We have to find a way of resolving that contention. And, worse, when they're not part of the plan, they happen throughout the year and there's contention for resources.

Number two: Is there a mechanism that we all agree on to resolve these contentions? And the answer is, no, there isn't a mechanism, right?

So how do we go about resolving that? And I say we had an attempt of a discussion in Johannesburg. But I think GDPR and other things took primacy. But we need to resume that because it's more pertinent today because we don't have funding increasing to resolve that issue. So now -- now this is a more pertinent question.

To me it lies -- it's really a matter of supply and demand. Goran and the ICANN org are really the people who are managing the supply side, the resources and the money, people and money.

The community is managing the demand side. So you are generating your own priorities, your own demands. And there isn't something in the middle that does this matching.

I think it should be -- we need a central resource allocation system whenever there is contention that is agreed upon by the community to resolve that.

The Board is not abdicating its responsibility. At the end, we approve the budget, right? At the end, we approve the strategic plan and the overall priorities.

But we don't want to sort of interject at every juncture when there is contention on resources. There has to be a way of doing that in a more systematic way.

And my -- my recommendation is we need to get our head together to find this central resource allocation system, bringing in the supply side, which is Goran, and the demand side, which are the SOs and ACs, and find a way between them of resolving those contentions. And if it can't be resolved, obviously it's got to go to the Board and we will assume our responsibility. But there has to be a more efficient way of doing that.

Thank you.

KATRINA SATAKI: Thank you very much.

Mike, you wanted to add something.

MIKE SILBER: Thanks, Katrina.

I think one of the critical things that should be addressed, and this, to me, is of significant importance to the ccNSO, is that there's a lot of duplication in what we do in this room, being ICANN org, ICANN Board, ccNSO, your board, your organizations. There's a lot of duplication in what we do in the Internet governance space. And I find it somewhat amusing sometimes when you go to meetings and we meet each other at outside meetings, not just ICANN meetings. And I think it will be really useful if we try and find ways of trying to prioritize some of these issues so that not everybody needs to be in every room at the same time but that we can actually share some of these responsibilities, particularly around the defense of the multistakeholder model, some of the Internet governance issues, some of those things where, at the moment, it just reminds me a little bit like a group of nine-year-olds playing football and, you know, you have 22 kids chasing after the ball and you don't leave somebody watching the gulls. And that's -- Those are some of the areas where I think the ccNSO can be an amazing partner in terms of ICANN refocusing some of its initiatives based on flattening funding. And I'm aware that CCs are also facing some of those similar concerns. But if we can work together more efficiently, I think it will be really useful.

You know, some CCs sponsor travelers from their communities. It's not necessarily known within the ICANN environment -- and I'm not saying you must give that to ICANN, but just if it's made known, it allows for better planning and better processing on some of these issues.

KATRINA SATAKI: Thank you very much, Mike.

Cherine.

CHERINE CHALABY: I fully agree with Mike. And here is another example of an issue that's going to hit us soon and how to deal with it. WS2.

So the Work Stream 2 accountability has -- is coming to an end, and the Board is meeting with the co-chairs of WS2 and the rapporteurs to discuss how we're going to go about implementation.

If there is an expectation that we're going to implement all the recommendation in one go, then that is going to create difficulty, because we can't do like we did with WS1, go and dip into the tune of 36 million into the reserve fund and use it and solve the problem.

I think the reserve fund has been depleted to the point where I think it will not be fiscally irresponsible to dip even deeper into that to finance the implementation of WS2 recommendations.

So the Board is not saying we're not going to do it, but we need to sit together and say how do we face the implementation of that and how is it going to be paid for? Is it going to be paid for by saving somewhere else? I mean, what are the tradeoffs and who is going to make those decisions?

And this is going to be a tough, tough thing to handle because there isn't that central -- again, central tradeoff mechanism. So we will work with Goran and Goran is going to say, well, I can do as much in FY19, for example, and then we'll have to go back to the community. I say you've put us -- you've put a recommendation for all of these WS2 things. Let's say we agree with you, we want to implement most of them. Then how do we do it? How do we stagger it? Over what period of time?

So that is a typical example of priorities. And what else is going to give -- give -- we had to give up to do this?

Another example, just to follow on Mike's.

KATRINA SATAKI: Thank you very much. And if we talk about the ICANN budget, according to the new bylaws, it is one of the things that can trigger rejection action process.

Don't get scared. We -- we hope there will be none, but nevertheless, that is the right of the empowered community to file a rejection action petition. And Stephen, who is our representative on the Empowered Community Administration, he had done some math, and I think we would really like to share it with you so maybe could address that.

Thank you.

STEPHEN DEERHAKE: Thank you.

Not trying to predict whether or not a rejection action petition is submitted and gets the support that it requires to go into a public forum period, I would strongly suggest to the Board that they schedule their vote on the adoption of the budget between a window that permits a public forum to be held during ICANN ICANN62. And if my math is correct, it looks like that window -- the earliest you could vote would be the 7th of May and the latest you could vote would be the 30th of May. And with the 7th of May vote, the last day of the public forum period would coincide with the first day of ICANN62, and with the later date,

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the first day of the 21-day public forum period would coincide with the last day of ICANN62.

So I think in the interest of being able to hold a public forum at ICANN62, in the event that subsequent to the Board voting on the budget the empowered community rallies and successfully puts forth a rejection action petition, that the Board vote within that window. And I think we need to reconfirm that window with J.J., but I think I'm pretty close.

Thank you.

KATRINA SATAKI: Thank you very much.

Any comments on that? Any questions from the Board?

CHERINE CHALABY: I think Xavier is just conferring there about the -- when is the Board going to -- It's a good point. I'm glad you've done the numbers.

So, Xavier, when is the budget coming to the Board for approval for the first time?

XAVIER CALVEZ: Thank you, Cherine, and thank you, Stephen. And just for clarity, Stephen sent us an email to expressly say what he just said with the information that backs it up, and we're looking into that email from Stephen.

But the point is simply that we currently are planning to have a Board approval that is no later than the end of May, the 31st of May. And the point of that was to enable the period of 21-plus-seven days that follows a Board decision. That is the period in which the empowered community can determine whether they want to submit a rejection request, basically. And, therefore, go to the next step.

So I want to make sure I'm clear on that, and Stephen will correct me if I'm wrong.

So the current planning that we have is to allow that period of 28 days to happen before the beginning of the fiscal year. But should there be a decision by the empowered community to go to the next step and submit a request for rejection, then we will inevitably fall into the fiscal year FY19, which starts on July 1st, and that becomes the process of rejection that runs itself, and of course we would be under a caretaker budget during that period of time.

I want to make sure I've understood correctly your point and I was not inaccurate in reflecting what you said, Stephen.

STEPHEN DEERHAKE: No; you've got a good summary there.

XAVIER CALVEZ: So the bottom line to the point, and to answer Cherine's question, the current timing allows the 28 days of empowered community for consideration of a rejection. If there's no rejection by the end of the 28 days, which expires before the fiscal -- the beginning of the fiscal year, then nothing happens and we kick in into FY19 with a budget that has been approved. If by that end of 28 days the empowered community decides to move forward with the next step in the rejection process, then on the 1st of July, which will be a few days after, maybe three or four days after -- three days -- thank you, Stephen -- after the expiration of the 28 days, then we will then move to the next step, have the caretaker budget kick in right away on July 1st. And that caretaker budget will be in place until the new budget is approved after the rejection power has been exercised. Thank you.

Presuming that goes all the way through the process. From memory, there's seven steps of escalation, so there's opportunities for that rejection to not occur, ultimately. Sorry that it was complicated.

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KATRINA SATAKI: Thank you very much, Xavier. Thank you, Stephen.

And the last one is next steps for adoption of the IDN overall policy. As you know, ccNSO submitted the policy in 2013 for the Board to discuss and decide upon, and it was mutually agreed to further use the fast-track for its original purpose as an experimental basis.

Yeah, so it all evolved. Chris.

CHRIS DISSPAIN: Yeah, thanks, Katrina. Look, this is -- you've written to the Board and said can you now please move forward with the thing.

I think that given that the policy document has been around for quite some considerable time and given that some things have changed since it was written, including some of the things that happened in the last few months in respect to the discussions with SSAC and the like, that it would be a sensible thing for the Board and the ccNSO to jointly agree that you take back the document from us and run through it again to make sure that there don't need to be a few tweaks and changes to take into account what's happened. Because otherwise, we mate end up endorsing the recommendations and then have you coming back saying, "Well, now you need to make this change."

And I think I prefer, if it's okay with you, if we agree jointly -- so the Board is not telling you to do this; I'm asking you if you will work with us -- take it back and actually come back -- bring it back to us once you've checked it and possibly made a few alterations.

KATRINA SATAKI: Thank you very much, Chris. Yeah, it's 2018 now. It was submitted in 2013. Some things possibly have changed.

[Laughter]

Okay. So I think that's a reasonable proposal. We will discuss it and probably look into the document and see if it needs to be amended, updated and so on. Then we'll get back to the Board.

CHRIS DISSPAIN: Super.

KATRINA SATAKI: With that, if there are not any other questions and no more comments, then thank you very much again to the Board and ICANN org for coming here to our room. It was great seeing you, and see you around here --

CHRIS DISSPAIN: Thank you very much for having us, and I look forward to seeing all of you at the cocktails --

KATRINA SATAKI: ccNSO for cocktails.

CHRIS DISSPAIN: -- tonight.

KATRINA SATAKI: You're welcome.

[Applause]

MIKE SILBER: And thank you for inviting us to your room for a change.

BECKY BURR: Yes, we needed our exercise. But I just want to say we're looking forward to seeing you at the CC cocktail tonight. It's going to be a good party.

[END OF TRANSCRIPTION]