
BARCELONA – Joint Meeting: ICANN Board and CPH
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BECKY BARR: Okay. Welcome. Good morning, everybody. It's always nice to see a constituency day meeting with lots of people around the table and in the room. Thank you all very much for joining us here. We sent a couple of questions, and you all sent us a couple of questions. I think it would be -- Goran is joining us. He's in a different room.

Maarten, I think you're here.

And so we can start with -- if we could just start with these questions, and then we'll move on to your questions. We'd like Goran to be here also for your questions. So our first question to you guys is what are the priorities for 2019? Let me guess. One of them starts with a G.

PAUL DIAZ: I have no idea what you're talking about.

BECKY BARR: Who wants to take that?

PAUL DIAZ: All right. It's Paul Diaz, chair of the registry stakeholder group, for the record. An immediate priority, I think everybody understands this is my final ICANN as chair. For the registries we have an incoming leadership

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team. Donna Austin will be my replacement, incoming chair. We will also have a transfer. Sam Demetriou is moving over from vice chair of admin to policy. Beth Bacon from PIR will become the new vice chair of admin. And Jonathan Robinson will become our treasurer. While there's lots of experience there, it's a new leadership team. So one of our priorities is, as quickly as possible, to hit our stride, keep functioning as well as we have with the current team moving forward. Because, as you say, a big issue that begins with a G and many other items that we have, we don't want to spend too much time finding our -- or keeping the momentum going. Other priorities, necessarily everything related to EPDP is an enormous consumption of time and resources.

When we get to our questions, I think you'll see we have some things we'll be looking further out that will be a focus, a priority for us. And the Board's input can help shape our thinking and our planning as appropriate.

GRAEME BUNTON:

Thanks, Becky. This is Graeme for the transcript. I think primarily you're going to hear about our priorities for 2019 are almost exclusively making sure we get through the EPDP.

BECKY BURR:

That probably will be enough. Great.

I'm just going to turn the next question -- turn to Goran to kick off our next question. And I know we're going to then move to your questions.

And I suspect we'll be talking about this and the next question throughout the week and, actually, in the course of your questions as well.

But, Cherine, do you want to just kick us off on that one?

CHERINE CHALABY: Thank you, Becky. I thought you referred to me as Goran for a second. Did you?

BECKY BURR: I don't know. If I did, I apologize.

Brian, would you like to start?

(Laughter)

CHERINE CHALABY: Thank you. Maybe I should start by saying why is the Board asking this question so we set the framework for the discussion.

This is part of the strategic planning exercise that we've been engaged with the community since Panama, really, seven months ago.

And, as I mentioned in my opening remarks yesterday, the community identified five major trends that will inform our strategic plan. And one of those trends is governance. And the community said in its articulation of the governance issue is that the multistakeholder model of governance which grew to fit ICANN's needs, obviously, and which is

very important for us in our legitimacy and the way we conduct our business, has the potential as it matures of becoming less effective and more expensive in order to respond to the increasing needs of the community.

So this is not talking only about policy development, but it's more across all of our activities as a community.

And some of the specific trends that were identified by the community included things like increasing demand for inclusiveness and accountability and transparency across the whole spectrum of our community, of our activities; improving our policy development process to achieve consensus in a more effective and timely manner; concerns about progress being ground to a halt because of polarized interest; concerns about volunteer shortage and fatigue; concerns about inefficient reviews.

There were also discussion about the ineffective involvement of the technical community and that ought to be looked into. And also there were concerns about that the ICANN public meetings were getting larger, more expensive, and more cluttered with sessions after sessions after sessions.

So this is what the community is saying. This is not what the Board is saying.

And to put also a caveat, this is the -- the multistakeholder model is essential for us. I mean, this is our way of handling the business. And it

has served us well for 20 years, and it will continue to serve us well in 20 years.

But it's maturing. And I think we should have the will and the courage to look at it and make some modification, if we wanted to, to make it even stronger and even more relevant for us as an organization.

So that's the construct. The reason we've put this out is because it will be one of the major objectives in our strategic plan.

And the Board intends to issue consultation paper to the community about their views on the issues, if there are any, and how it should evolve roundabout the June time frame next year. In the meantime we want to have as much dialogue with the community to be in listening mode. The Board doesn't have an answer to this issue.

The Board would not have an answer. The Board wants to hear what the community has to say.

So I encourage you to say what's on your mind. We already had this discussion with the GNSO yesterday. Some of you were present. The GNSO was very vocal, not only about the general thing but also in relation to policies. Because they've been ahead of the game with their PDP 3.0. So they've been thinking about these issues, particularly in terms of, you know, building consensus and so on. We had a discussion with the NCSG this morning. And there were interesting pointers to say the issue is really inclusivity versus efficiency. Issues about the level of participation.

They were focusing mostly on PDPs. Should the level of participation in a PDP be more optimal than it used to be in the past?

Issues about intervention. Does every intervention by every person must be -- can stop progress? Or should there be a way of handling intervention differently while taking everybody's idea into account? There was discussion about the roles of the chair and how consensus is achieved within a PDP, for example. Right? Is it by voting or the chair can have a role of saying we have reached consensus?

So there were a lot of ideas coming through. And I'm putting them to you so that gives you some ideas and food for thought.

So this is the background. We're in listening mode. We want to engage. The idea is to come up with a consultation paper towards the May/June time frame next year. Thank you.

GRAEME BUNTON:

Thank you, Cherine. This is Graeme for the transcript. There's a lot to unpack in there. I think we look forward to engaging on this issue or these issues. There is a lot there.

There's lots of good opinions I've heard within my community around how to reform PDP and other processes. We don't need to, I think, go into the substance on there because it sounds like we're going to kick that whole process off. But I think we treat the whole PDP as sort of monolithic. And probably there are different types of issues. And, therefore, there should maybe be different types of PDPs. And I think

that applies to other types of processes and methods inside the community.

We care a lot about this because the -- you know, the resources it takes to get stuff done is a heavy burden on all of the communities and us as well and ensuring that we can be efficient and moving forward and inclusive and accountable and transparent is important.

So I can see hands going up, and that's great. But we appreciate the Board kicking this off. And we look forward to engaging on this deeper.

BECKY BURR:

We do have some hands up in the audience. So who has the microphone? The microphone is coming, Jeff.

JEFF NEUMAN:

Is this on? Hi, good morning. Jeff Neuman. I am one of the cochairs of the subsequent procedures PDP working for a long time with Avri and now with Cheryl Langdon-Orr.

I think this is a great topic. It's something I think about constantly on how to include more people and, of course, ultimately how we are going to measure consensus as we get towards our final report.

One thing I would ask is if the Board could ask for very specific things that can be done. I constantly get, you know, we want the PDP to be more inclusive or transparent. We take strides in trying to do that all the time. In fact, these last I think it's now been five or six meetings, the subsequent procedures leadership team has met directly with the GAC

during their session for at least an hour in constant dialogue back and forth.

And when people ask, they say, "We want you to be more inclusive or transparent," I'll ask the question back, "Okay. Well, tell me something we can do that we're not doing."

And you just get these, like, pauses of nothing. There's nothing specific.

So these are great buzz words that people like to say. And they're great platitudes. And it's great to fight for these. And I'm all for it. And we're trying with the subsequent procedures to do a lot of different things. We've included the GAC directly in the PDP for a new work track on an issue they think is really important.

That's had some level of success. I can't predict the outcome of the recommendations, but at least they're very involved in it.

So we're trying a lot of new things.

I will say that, when new things are suggested, it gets fought tooth and nail by a lot of different people.

So I'll give you a quick example. In the working group we thought it would be a good idea when people spoke up and we got comments back to know what group those comments were coming from or whether they're an individual view and also whether we could then ask a group directly -- whether it's IPC, BC, registries, whoever -- for responses and to know and hold and create more accountable.

So we created this role of a liaison to these groups that we could direct questions to.

And immediately people fought back saying this is not the way we do things and now you're creating this kind of empowered community or you're creating these roles for individuals that are giving them too much power. There's a constant resistance to change that we're all going to have to deal with.

So the points, again, are let's get them to be very specific. Let's keep some flexibility in the process and encourage the community to allow for experimentation and different ways to do things rather than kind of fighting everything.

BECKY BARR: Thanks, Jeff. That was helpful.

KEN STUBBS: My name is Ken Stubbs. I'm speaking in my own accord here.

I've been in business for 61 years now, so I've had a little bit of experience.

And you all know experience is the sum total of your triumphs and your tragedies. So I'm trying to offer some suggestions to you.

The first one is this: You guys don't run ICANN. The staff runs ICANN. It's your responsibility to oversee the staff and make sure that they're working towards goals that you as a board have established. Too much

of what I see involves pushing things up to you and then getting it pushed to the staff. And there's too much lost in the translation because each one of you wants to offer your own perspective of this process in the development rather than offering a perspective in the process as it's offered to you as a solution.

But one thing Cherine points out to here is imperative, getting our work done under policies developed in a more effective and timely manner and efficient utilization of the resources.

You guys shouldn't be working on that. That's the staff's responsibility. You need to give them guidelines. But, if you're taking suggestions from us and then distilling them and then giving them to Goran, I would much rather see a session where you have key staff members there with the Board and turn the time into a kind of a brainstorming session and see if we can get some good ideas and consensus out of this.

Because now I'm going to have to wait to see what you have told the staff that you heard from us.

And it's like telling secrets. Every time it goes down one level, it changes slightly. Thank you.

BECKY BURR:

Cherine, do you want to respond to Ken on that?

CHERINE CHALABY:

No, I don't want to really -- I thank you for the point. But I think I just want to hear that there is -- is there a recognition that there is an issue

to be solved or not? And some specificity about the issue itself. We're not into solution making at this stage. I think we need to establish the ground first. So -- but -- I'm waiting all the parts. And thank you, Ken. And thank you as well, Jeff.

BECKY BURR: Okay. Other points on this? Donna?

DONNA AUSTIN: Thanks, Becky. Donna Austin from Neustar. Just to follow up on a couple things that Jeff said particularly about the policy development process.

It's great that Jeff and Cheryl take the initiative to go and talk to the GAC about certain issues and make them aware of the PDP. And I think Avri was involved when she was the chair as well.

The council is facing an issue this week about -- it's a resolution on the curative rights PDP. And we're well aware that the chairs of that working group went and spoke to the GAC on a number of occasions about curative rights. We know those exchanges happened.

We have letters that came back from the GAC about they don't agree with the recommendation. So there's iteration. And it comes through -- the GAC provides advice to you, and then the council will provide information to you about how that affects the policy. So we have that kind of process in place.

But we never really overcome the issues. So we don't -- I don't know who I'm referring to with "we."

But I think it's really hard for the policy development working group to engage in a manner with the GAC that can lead to recommendations in a final report that will adequately address GAC advice or even have a process where there is rationale for why we don't accept GAC advice.

And I think there's a little bit of a -- the GAC focuses on public policy. And the PDP, to some extent, doesn't know how to take that into consideration. I think the policy development comes at it from a different perspective.

So it's a bit hard to marry the two. But there's also -- for the council, we go and talk to the GAC at every meeting.

But there's still a misunderstanding from the GAC about what the GNSO does and what its role is and what a PDP is and that that's the mechanism for, you know, developing policy on the ICANN stage and how they can fit into that.

And we hear all the time that it's really difficult for them to be able to fit into our process because they don't have the resources or the time. So their fallback is always the GAC advice.

And then I think from a council perspective, we don't necessarily have a good understanding of some of the challenge for the GAC either.

So I think we need to find a way to have a conversation about how do we ensure that people understand what their separate responsibilities are and how we can find a way forward with that?

Because I think, you know, to Jeff's point, I think what we're going to find is that the final recommendations will come down for the subsequent procedures PDP. And whatever the GAC doesn't like it's going to end up back as GAC advice. And then we're going to be in this position where the GNSO approves a recommendation that comes to the Board. And then we're stalled in the process because those things haven't been sorted out.

So we need to find a way to deal with that during the process rather than getting to a point where, you know, the Board has to look at these things for six months and try to sort out maybe something with the GAC or -- so it's -- it's complicated.

And I think we either don't understand where the other person's coming from or we do and we use the process that exists to get around it. So I think this is probably more with my council hat on, but I think it is a problem that the PDPs are taking a long time. There is an effort with the PDP chairs to get GAC involvement, at least get them up to speed. But then we still have that problem at the end of the day. The GAC will go to the fallback of advice, and then we're stuck. Again, we can't move forward with recommendations for an undetermined period of time. Thanks.

BECKY BARR: Thanks, okay. I think if we don't have more comments than that we can turn to your questions and I'll let you guys manage that process.

PAUL DIAZ: So we actually -- it's Paul for the record -- submitted quite a few questions. And in our prep session before coming in here, we'd like to change the order. So if we can go to the next slide, I guess. Because the second bullet point there is where we would like to begin today. And the question for those who can't see it is: What is the Board's thinking on the new head of the GDD and what should the contractor's parties' expectations be about any interim arrangements?

And what we're hoping for here is thoughts on what to expect coming out of GDD, because we know not just the head but other staff members that we interact with on a regular basis have recently left the organization. So, you know, it's certainly in a point of flux. And we'd like to understand the Board's view on, you know, what are you hearing from staff? What are your expectations? How will that help feed our expectations moving forward?

BECKY BARR: So I think we should first start with hearing from Goran.

GORAN MARBY: Thank you for the question. And as you know, it's not the Board responsibility to make the decision of who becomes the head of GDD. That's me. And I have a point Cyrus to be the head of the GDD for -- for

now with one small change, is that I moved IANA under -- what's his name? David Conrad. Yes. I am tired. Sorry. Sorry, David. Because it made logical sense for me, also, to place IANA under David Conrad.

And we're now in the process of looking into -- We always take an opportunity to look into how we are organized. Are we the best way organized? And that's what I'm looking into.

So we -- we have not started a process for replacement, and we will start that when we've done our fourth process.

Thank you very much.

BECKY BURR:

So that -- What -- that's what Goran has indicated to us, and I think the Board is waiting to hear more.

I see Elliot's hand.

ELLIOT NOSS:

Elliot Noss.

The one thing in relation to the new head of GDD that I'd really like to make sure that we put into the stew in -- in our years at Tucows, the best account people, the best salespeople, the best people at managing relationships like this were the ones who most related to the customers, the ones who would do the best job of bringing the customers' positions back into the organization. And sometimes it felt like, for us, they were working for the customers. I in no way want to get into the specifics of

the situation, but I do want to say that one thing that was unique recently was more of a feeling of sort of somebody being on our side as opposed to somebody that was working -- you know, that we had to kind of, you know, work against or swim upstream with. And so I'd really urge Goran to take that into consideration as you're moving forward with this.

Thanks.

PAUL DIAZ:

So we're going to turn it over to Jonathan who will lead us into the next question.

JONATHAN ROBINSON:

I had a brief follow-up on the previous question. I appreciate it's early days but to follow-up on Elliot's point, when we think about the original setup and conception of GDD, it was very much focusing on the recognition that in post new gTLD program, ICANN had, indeed, operational customers in a much more -- you know, it moved ICANN into -- from being historically very much more -- very much on the sort of policy side into recognizing that actually a significant part of its activities were dealing with customers in a -- in a way that was really a sea change.

So I respect and appreciate, Goran, that right now it's early days and there's a change and it is an appropriate time to think carefully about what happens, but maybe you'd be prepared to say a little bit more about the sort of questions you're thinking about, even if you don't

know the answers yet. What questions does this pose for the management in terms of, you know, what are the issues you're thinking about as you go into sort of a reevaluation of the role and function and performance of the GDD?

So it would be great if you're able to share any insights into your sort of immediate thinking or the kind of questions you're asking of yourself and your team.

GORAN MARBY:

First of all, I'm very -- it's a very good question. And just to point things in logistical terms is that this happened a few weeks ago. We did a KSK the same week, and then we actually have been preparing very much for this important meeting. So it will be even early for me.

That's not how we do things. We -- This is something that we will look into and talk to, and I will promise you that we are not trying to do anything that is stupid and that will make life harder for anyone.

Actually, when we go into things, we try to look up what doesn't work. What can we do better? How can we improve? And especially when it comes to the next question you're having, what are ICANN's plans for GDD expenditures. You know, GDD is a very large part of our expenditures as well, and there's always things you can rethink and redo differently. But I don't even have the questions yet.

JONATHAN ROBINSON: Okay. Thanks, Goran. So I got teed up -- It's Jonathan Robinson, for the record. I got teed up to ask these couple of additional questions. And I think we would like to ask them together, so it creates an opportunity to talk about them potentially together and for responses or -- and/or further input from the contracted parties on these points. But really the two key points here were, one, on the reviews. We're mindful of the fact that the reviews seemed to have hit the rocks in a couple of places and have become grounded. Probably the one that I heard mentioned was ATRT3 particularly. That seems to be awaiting sort of future progress. So it would be very good to hear the Board's thinking on where this is going and perhaps how this fits into the sort of strategic thinking more generally.

But, really, then, as we started to talk about this, we recognized, as Goran did, everything is linked to money in many ways and what the resource capacities are. So it would be good to hear at the same time any thoughts on expenditure going forward, because there's a sensitivity in the Contracted Parties House about, as we know, increased expenditure over the course of many years, and the time now where there isn't -- there isn't a essential that the revenues will keep on growing, certainly not the pace they did, and there's no sense of any windfall revenue, and so -- not, at least, in the very near future. So it would be very good to hear your thinking on that, also.

So really, those questions where it may not seem immediately logically connected, there was some connection. So really your responses with where you are with the reviews. And we know there was a big discussion on strategic planning yesterday, so we don't need that

particularly highlighted. But that and the current thoughts on expenditure.

And if anybody from the Contracted Parties House feels, you know, I haven't done justice to those questions or how you'd like them answered -- asked, please, you know, to add to that as well.

Please, Cherine and colleagues.

CHERINE CHALABY:

So I'm going to take the response to the reviews issue and maybe Khaled would like to add a few things.

So we published, just before this meeting, a blog with all our priorities, and I'm going to reemphasize the key point we mentioned about the reviews. And we said there that we think -- personally, we think that progress has been made on the issue of the specific and organizational reviews. And we did say that, at this stage, we believe that ATRT3 will start in 2019 and that we are still defining a path forward for the specific and organizational review. So ATRT3 will not stall. And I believe, if I'm not wrong, we've asked for memberships, and we, the Board, have already identified our own person to join the ATRT3. So that has to go ahead and will go ahead in early January. I'm confident about that.

In terms of the others, we've received community input on initial proposals, and we recently finished a public comment period on a second paper on this issue. So we're navigating through these comments, and we will be defining and proposing a way forward. Not before long.

Khaled, do you want to add to this?

KHALED KOUBAA:

Thank you, Cherine. You said it well.

The other, probably, thing that we need to highlight is there will be a public comment on the Operating Standards. The Operating Standards are a very important element in the reviews. We need the community to comment on that document because it will guide our work in the future, and we expect the final version to be adopted by April 2019.

We are still defining the path forward for streamlining specific and organizational reviews in the future. And in general, this tie-up with the strategic planning from the point of view of how we would like the strategic objective of the ICANN advances on the governance level, on the maturing of the community stakeholder model. So I guess there would be a work with the community on that.

Thank you.

CHERINE CHALABY:

So before we move to the other issue about reducing expenditure, do you feel we've answered your question on the reviews?

JONATHAN ROBINSON:

Well, there may be another comment, actually.

Cherine, let me not answer. Let's see if others come in as well.

BECKY BARR: So just -- I've got a question on the list. If people could -- this is Becky Burr speaking. If people could identify themselves, there are people participating remotely who don't know who the speakers are.

DONNA AUSTIN: Donna Austin from Neustar.

Cherine, the main question that we had that you asked today, so you said that there would be a consultation paper developed around that that will be published about June. Is that correct?

CHERINE CHALABY: You're talking about the governance?

DONNA AUSTIN: Right, right.

And the strategic plan, as I understand it, is supposed to be finalized around March-May. So is there a connection between those two documents?

CHERINE CHALABY: There is. So remember that the strategic plan has to be supported by a detailed implementation plan or what we call operating plan; okay? So the strategic plan is going to show the strategic objectives, the goals,

the vision, mission, but it's not going to go into the endless detail of how to implement.

The consultation paper following that -- so I am confident, because that's what the community is saying, that part of the strategic objective will be we need to look at our governance model. How we will implement it will come after that. And part of the community consultation is to feed into the implementation process.

Does this answer? Thank you.

DONNA AUSTIN:

Yeah. That makes sense. Thank you.

KEN STUBBS:

Just a very simple question. When you put the numbers on the lines, starting with all these plans, breaking it down, implementation, at some point in time, you know, budget is nothing but a quantified plan of action. So at what point in time do we see what we expect to spend to accomplish the objectives that were outlined above and how does that compare in effectiveness and efficiency to the use of the resources that we currently have and what we've done in the past? Are we better? Worse in terms of performance? You know, all of that.

Thank you.

BECKY BURR:

Ron, maybe you want to talk about that.

CHERINE CHALABY: Should I respond to this?

BECKY BURR: I think Ron is going to.

CHERINE CHALABY: Okay. Ron, you go ahead.

RON DA SILVA: Thank you. Ron da Silva for the record.

Ken, thanks for that as well, and I was going to speak briefly to the linkage between the strategic planning effort and the need to reduce expenditures.

I can't help but think there's -- as we have this iterative process of finding improvements and better ways of executing and finding efficacies in the way we actually conduct business, there's a couple things that keeps floating to my mind that would help. And one, engagement in sort of an ongoing and persistent way in the budgeting process would be extremely valuable. So this might be something that the Contracted Party House might consider. Are there folks that you can maybe assign from your community to regularly engage with a working group, if you will, that has that sort of seat on a regular basis with the ongoing budgeting process so that we've got continuity of, you know, making sure input from -- from the contracted parties is

represented in a regular and consistent way. So that might be valuable from a sort of instrumentation format.

And then, secondly, I think even more broadly than just talking about engagement on the budgeting processes, a coordinated effort across all SOs and ACs as opposed to asking the SO and AC chairs or leadership to take on all this burden of what work is being done and what's the prioritization and sort of how does that all add up. Maybe there's also another opportunity where there can be like a group identified by the SO/AC leadership -- (coughing) excuse me -- to be regularly engaged and accountable for making that input into our prioritization effort and identifying whether they're reviews or whether they're PDPs. You know, what actions, what activities you are going to be engaged. It's all linked to workload. It's all linked to volunteer fatigue. And connecting that in with the strategic plan and the corresponding operating plan and the financial component that's going to be that -- with that. I think the more we can structure that, the more -- you know, the quicker -- Donna, I think you were asking about expediency. I think the more we can put some structure around that, the faster we can execute, the faster we can coordinate and the faster we can actually deliver on these things and not spend so much time do we have everybody represented? Do we have all the views? We spend so much time doing that. And I think if we can get some additional structure around both of those, that would be really valuable to us.

Now, specifics to efficiencies that Goran and his organization has identified and what they anticipate, I will happily defer to Goran or Xavier. I see them both here.

GORAN MARBY:

All right. Thank you.

There are sort of two problems here. The underlying problem of the increase of costs for ICANN as an institution lies very much in other things we did. I mean, over the last couple of years, good examples are the checks and balance was built into the system of the transition. That -- you know, setting up the organization PTI, setting up the Customer Standing Committee are just examples. Or when we look down the road, implementation of cost -- implementation cost for Work Stream 2, CCT review.

So we have been not been very good of sort of framing discussions within -- and that's not the community's fault. It's actually sort of my fault, is that where do we put in the sort of cost of decisions we're making going forward? Meeting strategies. And that's been simple.

So we can talk about the effectiveness of the -- of ICANN org, and that's something I work on. Just an example. Last year when we saw less money in the budget, we took a lot of work to do that, and I think we took down the cost four and a half million compared to the budget, and we also ended up actually giving money away, putting money in the reserve fund which we did in one budget year. And I don't think anyone in the community actually felt that we did that.

So, yes, there are things that we can do in ICANN org. But I think underlying this, we need to be having a better conversation about ICANN as an institution's priorities and what we're supposed to do.

So right now we're doing two things. One of them is for the first time ever, we're actually putting on stage all executives during one open session. And I think actually one of those, at least, come from you, Donna, where we kind of, for the first time, very early on in the process, we're talking about next year's budget, which we're already talking about it now. Xavier gave me six weeks of relief of not talking about the budget when we started this new budget year. Where we're going to talk about some of the underlying thoughts we have for the next year's budget.

And so we have pushed the timing for that a little bit, so we can earlier on in the process give the community the potential for interactions, because we also realized that before that, we did that just before Christmas and it turns out for some strange reasons that people wanted to do other things during Christmas than reading Excel spreadsheets from me and Xavier.

But that doesn't solve the underlying principle that we have too short time for discussion. And, therefore, we are working on a two-year budget planning cycle.

Because to be able to break away from this Excel spreadsheet where we have 300 projects, all of them with money, we are very, very specific. So we don't see all the forests for the trees. I agree with the discussion. I think it's important, but we have to sort of change some of the cadence to create the opportunity for the community to really come together and talk about the priorities for ICANN as the institution. That I think is essentially important.

And it's -- so the question -- the way I see this question is actually a question back to you in relationship to the community: Where do you see together with the community which things that we should prioritize?

Is ICANN -- and I'm very happy that you place it at ICANN and not ICANN org because I think that by phrasing the question like that, you also see your own role in how the budget is developed and the priorities. So thank you.

CHERINE CHALABY:

So I'd like to go back to the question that Ken has put forward and Jonathan. Really, I think -- I know why that question, and I know your thinking.

So, first of all, with Ken, we all said it more than once, that a strategic plan without supporting financial is no more than a dream, right? So for the first time ever in ICANN's history, we're going to develop a five-year fully costed plan to support the strategic plan, okay?

And we're going to do this -- you said, when would we see it? Towards the end of this fiscal year you will see the first draft the operating plan, or we call it implementation plan, if you wish.

And, Donna, in terms of timing, yes, in Kobe we will hope to approve the strategic plan. I really believe it is an iterative process. We will approve it. Then we'll do the costing. And if it's something we can't afford, we have to go and readjust. That's the process.

And let's remember that we're doing a plan for the period FY21 to '25 so we do have the time to do all we want to do. That's why we started so early in the process.

Jonathan, your question is -- and I know you are an advocate of always try to plan your expenses to be less than the funding, right? Isn't that the point you --

JONATHAN ROBINSON: Correct. It's probably fair to say that's my personal view. But, yes, it is my view. I'm happy to confirm that and if others want to support, they will.

CHERINE CHALABY: So I would like to address that. This year, FY18, we ended up the year closing at 10% of expenses under budget and we did that. It was work with ICANN org by reducing staff growth and improving efficiencies in many areas of operation without -- and I stress the word "without" -- impairing our ability to deliver on our mission. And that's very critical.

We're also in discussion at the moment with ICANN org about how we're going to replenish the reserve fund. And the view is that over the next five years or so, even longer, ICANN org should plan every year to make a contribution out of the budget, right, into the reserve fund to the tune of something on the order of 3 to 4 million every year.

They've done it this year in FY18. They put 3 million. They've done it in FY17, put 5 million. So over two years, they've put \$8 million into the

reserve fund. So I think there is a different cultural approach. And I want to thank Goran very much for this which is a very, very positive step forward.

JONATHAN ROBINSON:

So thank you, Cherine. Thanks, Goran. I am going to have a brief response to that, and then I will defer to others.

I think we should take a moment to recognize that because even if it's not the full article, as someone who's managed staff, managed businesses, I think we should recognize and acknowledge that that's not -- those aren't easy decisions to make and that's a great contribution and a step in the right direction. So -- and I also think I heard from Ron and from yourself, Cherine, and others and probably Goran, changes in the way you're thinking in terms of how you iterate - - and perhaps we don't have the time to discuss that fully now. But certainly recognize that your thinking seems to be along the lines of iterate, improve rather than wish list, cost, run. It's sort of strategic plan; cost; oh, it doesn't meet what we can afford; loop back. So that feedback thinking that I think I heard from all three of you in one or different ways, also personally at least like to recognize.

But I know others want to speak. So let me stop there. Thanks.

ELLIOT NOSS:

Elliot Noss. I want to, first, add to Jonathan's comment there. Those are two things that are really not made very explicit, you know, a \$14 1/2 million reduction, a 10% reduction, a contribution to the reserve

fund. I think certainly on the contracted parties house, we are all having to deal with these issues in our own businesses. And, you know, that's very impressive, and I think that should be, you know, shouted from the rooftops a little more. So please do share that, and then we can share that. And I agree, you know, that's well done by all of you.

Second point, I feel like there is an opportunity as we go forward to help make that even clearer, you know, perhaps -- and I know it would be very difficult in many ways. But perhaps when requests are coming from the community to do things, those could be -- even if it's at a high level, even if it's rough and dirty, the expenses could be -- or the costs could somehow be communicated along with those things.

You know, I think ICANN org has always -- you know, ICANN org has always tried to get priorities from the community and tried to hear the community's voice. And I think there's two challenges in that.

One is too often -- and I'm very sympathetic to this -- it's the loudest, not the most frequent, requests that have to be listened to. And it's a tough balancing. But if there was a way to gather voice, you know, not based on volume but on quantity, that might be interesting and to attach costing to some of the requests.

So, you know, upon both those points, the first is well done. And the second is a, hey, maybe this is a path forward or some version of that.

The last is just a straight question that I really, you know, have been looking for the answer to for a bit of time now, which is what is the

status of the legal reserve fund from the new gTLD round? I'm -- I'm just at a -- just a "what" stage with that one.

CHERINE CHALABY:

So I'm happy to respond to that.

I think the -- at the moment, the balance that's in that new gTLD, we call it the leftover or you call it the legal fund, is about 75 million. And we are constantly assessing the risks associated with that. And we believe at this stage, we would not want to touch that and instead have it ring fenced. And I would let Xavier answer that.

So, for example, there is temptation to say, let's take some of that money and put it in the reserve fund. And we say, no, that's not going to be touched. We're going to leave this sort of ring fenced at this point in time because we don't believe that the risk has been reduced to a level where we can release this money.

So, Xavier? Move on? Okay.

PAUL DIAZ:

Donna, last word?

DONNA AUSTIN:

Yes, just really quickly. On the timing of the strategic plan, I was in the session yesterday and I made a request that there's an opportunity in Kobe for the community to actually have a community discussion around the strategic plan before the Board approved it.

I think it's -- I think what we miss in some of these things is that the staff gathers the public comment and they put together the response and that goes forward. But the community as a whole doesn't get an opportunity to come back and talk about that.

So that's a request that I've made. We may need to talk about what impact that has on your timing. But I think for the strategic plan that's going to last for five years it's important.

CHERINE CHALABY: 100% agree with you. This is us, all of us. This is our plan together. Everybody must make sure that we are comfortable together with it. Thank you.

GRAEME BUNTON: Okay. This is Graeme. Thank you for that discussion. I think maybe if we can scroll up to the previous slide, I think we're going to dig into some questions on GDPR. Sorry, guys. We weren't escaping it no matter what.

I think -- I think Donna we tagged with leading this discussion or starting us off.

DONNA AUSTIN: So I think, you know, we -- when we were thinking about questions for the Board, there was a discussion about what if the EPDP doesn't hit its time lines? But I think we wanted to rephrase the question to get the Board's thinking on now that they've used the temporary specification

as a means, is -- I'm not doing a very good job of this -- but as a means to develop policy in a 12-month time frame. So it puts a lot of pressure on the PDP process itself.

I understand this is an expedited PDP, but it's largely the same framework as a PDP. And we know, we think -- Council particularly, we're were aware of it, that if a PDP can be done in two years, that's pretty much a miracle.

So we understand why the temporary specification was used. But the fact that there's only a 12-month window to develop the consensus policy puts a lot of pressure. And we've seen it on the EPDP team and the resources required and things around it.

So just wondering, you know, when you consider the temporary specification, I understand that from contracted parties' perspective, we kind of had a view that it might be better to do this as a contract negotiation.

So I guess the thinking behind the release of the use of the temp spec and whether you think it's fit for purpose.

CHRIS DISSPAIN:

Thanks, Donna. This is Chris Disspain.

Probably a little early to say is the honest answer. I think we are obviously watching it. I mean, probably some of us, me and Leon more closely than others, but we are watching it very carefully.

And we're actually quite encouraged, especially by the progress that was made the other day, that it's moving in the right direction.

But that goes -- but it goes without saying that we completely acknowledge the time frame is immensely difficult.

I mean, the logistics of it are simply that the temporary specification worked from the point of view of getting done what needed to be done. And we have no choice but to make that for no more than a year. It may be that we need to do some creative thinking around how we deal with it -- obviously, we're going to have to do some creative thinking about how we deal with time lag in the EPDP, if there is any, and how we handle that and that's something that we need to talk about and will.

But as a sort of overarching point, if we could find another way to do it, then, you know, maybe -- if we ever had to do this again -- and hopefully we won't -- for the future that would be great. Maybe that sits into the governance model discussion as looking at what sort of emergency procedures we could put in place. I'm not going to comment whether it's a contractual thing or not. I don't know. And Becky is probably the right person to answer that one, if, indeed, it needs to be answered.

But that's sort of where we are right now. And we are very conscious of the time and very conscious of the pressure and stress that's putting on the people in the working group. And we're monitoring it very closely.

BECKY BURR:

And the answer is the temp spec is completely a creature of contract.

LEON SANCHEZ: I guess just to put it right, it was a temporary specification to allow the community to actually look into the issue and as a matter of policy per our bylaws to develop these -- these next steps. And we've been following close, as Chris said.

And I think that the right thing to do is to have the community involved in shaping the next steps. So pretty much that's it.

GRAEME BUNTON: Okay. Thank you. Were you on the hook for the next one as well? Was that Paul?

PAUL DIAZ: I can just introduce this one. It is still on the theme of the EPDP. We wanted to get the sense from the Board whatever recommendations come, the Board is prepared to act. We've recognized the time frame sensitivities and whatnot. Action likely will have to be made quickly. Especially if there are delays for the output from the work group itself.

And then a little more specifically, we were interested in understanding how the Board would handle liability issues, other logistical steps, in particular if ICANN is determined to be the joint controller.

CHRIS DISSPAIN: That's me again, I think.

You can ask a question, yes.

GORAN MARBY: I'm really asking a question. What do you mean "in the event that ICANN is determined to be joint controller"? By whom? I think we all agree that the policy-making process of ICANN cannot establish the legal grounds for being a joint data controller. That's the law who defines that, not the PDP. So I don't really understand the question.

If I want to help to answer, which I always want to, that one I don't get. Maybe I'm just stupid. That was Goran, by the way, for the record saying on the record I was stupid. So call me "Brian" from now on.

PAUL DIAZ: Good question, Brian.

Okay. Colleagues, let's help. I see a hand. Ken.

KEN STUBBS: I'm sorry, I don't understand your process entirely so I'll ask very quickly. Is a company like Jones Day reviewing this process as it's going along, let's say, the EPDP so we don't get all the way down to the end and then have to kick it out for legal review only to find out there's something in their process that really couldn't be done because of legal issues? Because Goran's point is well-taken. I don't want to develop a dream process that legally can't be handled.

GORAN MARBY:

Now I'm sort of talking in a personal capacity because I'm not a member of the expedited PDP, nor should I.

I think that the people in the expedited PDP has done an excellent job of taking in legal questions on board. And we from ICANN org, we will, of course, continue to support them in that as we are neutral in that endeavor.

But it was just a question that I didn't understand. There is a lot of legalities in this one, of course, and the role of the data controller is very, very important.

We came out over the last year that we have -- I think it was in August last year when we started the whole Calzone process -- and, as I said, I will never name anything in my life again -- to say that we have a data controllership.

But I think there's a misunderstanding about it because we have -- the law is very specific about data controllers. And this has a very specific term, is that when we use the WHOIS data, for instance, for compliance or data retention, we are a data controller because we now have that data.

But we don't have the responsibility if you, for instance, do something that is outside the law because that's your responsibility and is what makes you a data controller.

And this is -- this is not a bug in the law. It's sort of a feature of the law.

We are very grateful for the support that we are now trying to figure out the legal possibilities for ICANN to diminish the legal obligations for the contracted parties when it comes to the uses of WHOIS.

And because the data controllership is on the essence of this one. And I know that the expedited PDP are well aware about this. It is something they have been discussing, and something I think they are doing good progress.

May I add something because I actually have a proposal? Yesterday I got a question from one of your representatives about what to do now. And I sort of came up with something which we will come up with an offering. We would like to set up a technical study group because you had some very good questions in your letter to us which we don't have the immediate answer to because there are many questions from the technical side how to come up with a potential technical model using RDAP to ask and receive questions.

We have done some thinking about that. Since then, we're going to come up and ask you. But I want to say it's a very technical group. They're not going to talk about legitimate interests. They're not going to talk about purposes. They're not going to talk about accreditation. They are going to talk about the technical solutions, how to ask a question to contracted parties, get those questions back again.

I asked Ram to be -- who's not on the Board, is not in my organization, to be a coordinator of such a group. I hope you will find participants to be there as well.

So instead of having that we come up with a solution, you comment on it, we go back again to have an interactive group that helps us to do this. Thank you.

CHRIS DISSPAIN:

I'm going to -- thanks, Goran. I'm going to tackle the question now.

So yes, the board is prepared to act on consensus policy recommendations, subject only to them being legal. So if the -- if the expedited PDP comes up with a bunch of recommendations, then provided that they are legal recommendations, I can't see that they would necessarily be an impediment to us acting on them.

In order to ensure that we try our best to avoid any difficulties, we -- we, Leon and I who are the liaisons to the expedited PDP, will do what we did in essence in the CCWG which is to flag as early as possible concerns that the board may have at the direction that is being taken or concerns that the board might have about implementation about some of the things that are being asked for and so on. Our goal is to try to ensure that we provide, you know, straight-up, straightforward guidance into the policy development process so that when it comes to us, if we have any concerns, you will already know about them because we will have told you during the PDP.

The actual implementation of it is obviously an issue that's handled by ICANN org in consultation with the community. And Goran has dealt with the -- the last part and explained about the -- the new suggestion.

So I have nothing else on that, unless anyone else has anything else to add.

LEON SANCHEZ:

Just to add -- just to add on the question about having something (indiscernible) that ends up not being legal, we have discussed a process within the for having, if needed, external legal advice and what we're doing what was proposed and I think that that's the approach that actually the chair of the EPDP has proposed to the rest of the group is to have the questions, of course, very well crafted, narrowed down so that we have very specific questions to ask. Then those questions would go or run through ICANN legal before anyone else has a look at it. And only if the reply from ICANN legal doesn't stand on legal merits to the view of the PDP, then an external adviser could be asked for an answer on that certain question. So it's pretty much the same approach we followed in the CCWG and we're trying to take this down on the PDP as well. So my view is that when we have whatever the outcome of the PDP is, that should be absolutely in compliance with GDPR.

CHRIS DISSPAIN:

Thank you, Leon, and you've actually triggered, if I may -- Paul, you've triggered something in my mind as well which is to say that everything that Leon has said is correct and we need to recognize that we're dealing with something that as a lawyer it's not -- it's not what I would call black letter law. It's a sort of broad brush regulation that hasn't been tested on which there is no precedent, there is no law written and so therefore crisp yes/no legal advice is highly unlikely to be

forthcoming. It's much more likely to be legal risk assessment on the likelihood of something being acceptable or not acceptable. And that's why Goran and the team have been working so hard to try to persuade the relevant data protection people in the European countries to provide us with input and guidance because absent that, it's very hard. And I guarantee you every single letter you produce that says this is okay, I can find someone who will say it isn't. And that is really the real challenge that we are dealing with with this. Thanks.

GRAEME BUNTON:

This is Graeme Bunton. Thank you, Chris, and thank you, Leon, for that. Backing up very briefly to Goran's piece on the technical group, I think we need to take that back to our stakeholder groups and think about it a little bit more. We are -- to be very clear, we want to make sure that we respect the process of the EPDP and that we don't undermine its work. And if that effort can be constrained in a way that it doesn't do that, then there might be interest there. But we'll take that back and have more conversations with you to see what that looks like.

I see a thumbs up from Goran. I think I have an input from Kristina. There's a microphone coming.

KRISTINA ROSETTE:

I'm Kristina Rosette, Amazon Registry and EPEP working group member on behalf of the registry stakeholder group. To answer Goran's original question about the context in which the EPDP might be making determinations or findings, we're doing that in the context of

evaluating and setting out very clearly defined purposes for the processing of data. And as part of that, we are looking into a number of questions, including the -- which parties are involved as among ICANN registries and registrars and what each party's role is. And in the data work sheets that I think were shared briefly during yesterday's high-interest session and that I anticipate will be of great interest when they're included in the initial report you'll see the full context for this.

I did, though, want to really take this opportunity on behalf of the contracted parties to just emphasize to you that we really are committed to the success of the EPDP working group. It is not in our interest to see this fail. It is not in our interest to be obstructionists. We have been working very hard and in very good faith and seeking to build consensus wherever we can. We must comply with the law, so we've made a great effort in the initial selection of members and alternates to ensure that we have a number of members and alternates with GDPR legal expertise such as Emily Taylor, Alan Woods, Lindsay Hamilton-Reid, Volcker Greimann.

In addition to that, we have really focused on building an extensive support team. So in addition to the members and alternates, each of the stakeholder groups has put together a number of additional stakeholder group members that can be called upon for research and drafting. And in short, I just really wanted to underscore on behalf of the contracted party house just the extent to which we are really focusing our efforts on doing everything that we can to ensure that this effort succeeds. Thanks.

BECKY BARR: I think I speak for the board in thanking the contracted parties for all of the effort on this. And if there is any -- I just want to remove any doubt that while we're, of course, concerned about timing and all of the -- like the board is also committed to the success of the EPDP.

GRAEME BUNTON: Thanks, Becky. Thanks, Christina. This is Graeme. I think we're going to move on to a little bit of the AOB. I think Donna had one. Are you ready for that? Or do we want to keep going on some of these other questions? Okay. Please.

DONNA AUSTIN: Thanks, Graeme. Donna Austin. Just a note that we -- there is a process for an expedited PDP. I don't know that there's an expedited RIRT process, so that's something that will need to be thought about sooner rather than later I think is what's available to you to move the implementation forward in a reasonable manner and also understanding from a GNSO perspective, there are two other PDPs that should be finishing up around the same time so that it's something to factor into the equation as well, I think.

CHRIS DISSPAIN: As we've come back -- may I ask a question as we've come back to that? Is it -- and I'm not suggesting this, I'm just asking. Is it feasible that the policy recommendations could recommend that -- as policy the

temporary specification continues for a period of time while the new thing is being implemented? So then instead of us having to renew it, it becomes a policy recommendation?

DONNA AUSTIN: I don't know, Chris. But I guess if there's a change to the temporary specification, if the policy changes the temporary specification, they need -- you need to process the change that so --

CHRIS DISSPAIN: We can't -- at the end of that time, whatever it is, May, I think, that's -- under the bylaws, that's it. We can't renew it anymore. So what I'm saying is, given that we -- if we need implementation time to bring the policy -- if the temporary specification became a temporary policy while the implementation of the policy was happening, that -- again, this is just straight off the top of my head, that actually might be a way of dealing with timing.

DONNA AUSTIN: Right. So a recommendation is that the temporary specification stays in place until such time as the policy is implemented.

CHRIS DISSPAIN: As a policy.

BECKY BURR: It would have to be, I would think, it would be adopted as policy on a temporary basis, based on a policy recommendation that the -- that be the policy for X months or something.

GRAEME BUNTON: Thank you both for that. I think we'd have to think about that one a whole bunch more. This is Graeme for the transcript.

CHRIS DISSPAIN: I'm glad I raised it.

GRAEME BUNTON: I'm seeing red flags all over --

UNKNOWN SPEAKER: (Off microphone).

GRAEME BUNTON: Right. So we are considering that one already, it sounds like. And the eyebrows that I saw shoot up across the room would indicate to me that requires some more consideration. Did you have one more other piece, Donna?

DONNA AUSTIN: I have a -- it's not on this agenda.

GRAEME BUNTON: So I have us with 14 minutes left, and I think we've gone, for the most part, through the questions that we wanted to get to. So I think there's room for AOB from you and if the board has anything else for us too. So go ahead, please.

DONNA AUSTIN: Thanks, Graeme. Donna Austin from Neustar. So the registry stakeholder group has become aware that the GAC is becoming reinvigorated on the two-character issues at the second level, and we just wanted to make it very clear from our perspective that there is no turning back on what we currently have in place. We -- a number of the TLDs have actually been delegating two characters at the second level. There isn't any problems associated with the use of those at the second level. As far as we know, there's been no complaints. So to the extent that that message can be provided to the GAC and to the extent that we can implore the board not to go backwards on this one, because it's pretty difficult to do at this point in time, we'd appreciate it. Thanks.

BECKY BURR: Anybody want to respond? I think we hear you.

GRAEME BUNTON: Okay. That was easy. Thank you, Donna. This is Graeme again for the transcript. Does the board have anything else for us? I think we've hit the end of our questions. Or anyone else from the contracted party house that's sitting there? No? Okay. Well then, I think we get to all get to our lunches a little bit earlier, which I'm sure will be appreciated. We

always appreciate this time with the board. Thank you very much for having us here. We look forward to interacting with you for the rest of the week and staying in communication. Thank you all.

[END OF TRANSCRIPTION]