
BARCELONA – FY20 Budget Planning and Process
Wednesday, October 24, 2018 – 17:00 to 18:30 CEST
ICANN63 | Barcelona, Spain

BRAD WHITE:

Ladies and gentlemen, we'll start in just a few minutes.

Ladies and gentlemen, if you please take your seats, we're going to start in one minute. Those of you in the back may be having a difficult time finding a seat. I'd ask you to move over.

Ladies and gentlemen, welcome to the ICANN organization FY20 budget planning and process session.

My name is Brad White. I'm director of North American communications for ICANN.

I'll be the moderator of this session as well as the voice for remote participants that submit questions or comments.

Before we start, I'd like to go over just a few points as to how this session is going to work. Above anything else, we ask that you follow ICANN's expected standards of behavior throughout the session which you'll see protected on the screen, I hope. There they are.

The bottom line is that we request you simply be respectful to all the speakers during the session.

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

The session is basically going to be divided into two sections. First we'll be hearing from every member of the ICANN organization's executive team. Each executive will give a very brief description of their top priorities for FY20. Afterwards we'll have an hour of time dedicated to answering questions from both in-room participants and those online. Any questions we are unable to answer during the session will be posted on the President's Corner on ICANN's Web site shortly after the end of this meeting.

I might add that all questions will initially go to Goran. He will field the questions or toss to the appropriate executive, as he deems appropriate.

When you speak, please remember three things: Speak slowly, clearly, give your name, state who you're representing, if anyone.

For this session we'll be accepting questions and comments posted in the Adobe Connect chatroom. Please make sure to review the rules for submitting a remote question. They've be posted in the chat. My colleagues James Cole and Meghan Healy will be monitoring the chatroom and will get to your questions as soon as they can.

With that I'll turn it over to ICANN's President and CEO, Goran Marby. Goran.

GORAN MARBY:

This is Goran Marby, for the record, I would love to have your voice! Actually, right now I'm thinking I would love to have a voice.

So this is a first attempt. And thank you for those who are coming. What we are trying to do is try to increase the transparency of the budget process.

I've been around now for 2 1/2 years, and during those years I learned that communication only exists when the receiver understands what you say, which means that we probably have failed a couple of times.

I think that we've been sort of ending up -- and I would say that I'm speaking on behalf of Xavier as well. We often ended up talking either about Excel spreadsheets or specific items in the budget.

So we are looking into longer term changes. Because what we need to talk about going forward is really priorities within ICANN as an institution.

But, as an attempt of this, we decided to turn what we usually have as a Q&A to the executive team is talk about what we now are planning, priorities for the upcoming budget. We're not going to talk about numbers. We're going to talk about some of those things that are in our heads right now that will be turned into numbered proposals from us.

But just to remind you on the process, we throw the first stone. Then we go out for community consultation and take input. We go back to the Board and make the decision. And in the end the community makes the decision through the community empowered -- what's it called? It's Wednesday. Community empowered -- empowered community. Thank you very much. We don't have that word in Swenglish. That's why it's so hard for me.

As you've seen over the last couple of years, what we've done is we've started to work through how we do things. I don't know if you know, for instance, last year we saw a budget. Compared to the budget we had less funding coming in. We were actually able to take down our costs by \$14 1/2 million compared to budget. I don't think that anyone actually recognized that. We continued to do our work, but we tried to do it differently.

So what you'll hear today are some of the top priorities you'll hear from executives. And the time will be short, which is hard for me. Just to give you some of the goals also given to me by my board, what I'm focused on are internal issues.

One of them is that we want to be more strategic about the number of staff at ICANN meetings. To be able to run a meeting like this, we have several people here. We're talking about 100+. And the reason for that is we 330 sessions ranging from 7:00 in the morning until very late at night. It takes a lot of people just to facilitate those discussions.

One thing we're working on -- and this is an historical thing. Because of the way ICANN grows up, we have too many IT systems internally. So one of the things I tossed windward is to make sure that we are looking into how we can be more effective. One of the things we're also looking into is trying to break down the bubbles internally, which means that, for instance, we don't automatically replace staff when they leave. Instead of -- looking at functions instead of individuals.

Just as a comparison in the last year's budget, I think we had a budget approved by the community for 420 people. We actually ended the year

at 395. We're going to continue to be around that number going forward.

But also, which is probably more important, we're doing a very large investigation of the skill sets we have today but also what skill sets do we need in the future.

The multistakeholder model is changing. The questions we're asking ourselves are changing as well. And we have to make sure that we can support the community the best way we can going forward.

If anyone asks, I do this with the best team in the world, which I'm really proud of working with. I'm not only talking about executives, my full team. With that I will lead over to my chief financial officer or as we call him "the money man," Xavier.

XAVIER CALVEZ:

Thank you, Goran.

I'm Xavier Calvez, ICANN CFO.

To complement what Goran said, the draft budget will be published early December. So this meeting comes at a very good time to be able to share preliminary views and also receive your input and questions on that FY20 draft budget. And also look for it in the next few weeks. Early December we will publish the operating plan and budget.

It will have been the earliest ever that we published that information. For my part, I'm in charge of finance and procurement which includes accounting, tax planning and analysis, the budget process, of course. It

also includes managing our insurance policies, managing our investments in treasury across all our locations.

For FY20, I'm expecting that my organization should remain relatively stable and flat in terms of size. We continue working on process and systems efficiencies but to continue improving our -- the quality of our work.

Of course, this could be affected by new projects coming in. As an illustration, the types of projects that we're looking at is potentially the next round of gTLD depending upon the timing of community approval of the recommendations and of the board approval as well. So, as these projects move forward, they may impact my organization for FY20 because we support those processes extensively.

And, otherwise, I think that my organization will remain relatively stable.

That basis, I'll pass it on to Sally Newell Cohen. No. Susanna first. Okay. Susanna first. Thank you.

SUSANNA BENNETT:

Thank you, Xavier. This is Susanna Bennett. Chief operating officer. Operations team consists of several functional teams. One of the teams focuses on organization-wide programs. The others include operations, security operations, and risk management. Also, in the operations budget, we include the board expenses as well.

For FY20, the year of FY20, the operations team will focus on a few organization-wide programs leading the five-year operating plan development and also the open data program. Of course, working very closely with many teams in the organization and the Board and community.

Also the team will continue to focus on improvement projects to help us to be more efficient and effective in our services and increase our collaboration, organization wide.

Staff number wise so we don't plan to increase any additional people. We have 15 people on the team.

And we expect there will be some personnel costs increases because of the market trend. However, the improvement programs that we've been working on will help offset these increases and help us stay on track.

Thank you.

MANDY CARVER:

My name is Mandy Carver. I'm the vice president for government engagement. I'm here representing Tarek Kamel, who is the senior advisor to the President and Senior Vice President for government and IGO engagement.

We are a global function that manages government and IGO engagement activities and strategies for ICANN. We're a small department. We have a total headcount of nine with a physical

presence in Geneva, Brussels, New York, and Los Angeles. We support the -- and forgive me -- I need my glasses for this.

We support objective 4 in this current strategic plan, which is to promote ICANN's role in multistakeholder model approach with the three goals of encouraging engagement, clarifying the role of governments, and participating in the evolution of a global trusted Internet governance ecosystem.

We do not anticipate any change in our headcount or increase in resources for fiscal year 20. Our activities will focus on helping ensure effective engagement with governments looking at infringing created regulatory and legislative activities that are taking place and being responsive to potential unintended consequences that these initiatives might have on ICANN's mission and mandate and the technical operation of the Internet.

We work closely with the global stakeholder engagement regional teams, with MSSI and legal on trends and developments as well as the policy development department and the GAC support.

And I think that's all I have at this time.

DAVID OLIVE:

Thank you, Mandy.

My name is David Olive, and I head the global policy development support team. In the budget you see a module talking about direct community activity support. And that's what we're primarily focused

with the various facilitation work and services we provide to you in the community in the development of policy through the address supporting organization, the generic name supporting organization, or the country code supporting organization, or in the inputs and advisories that come from the four advisory committees. That, of course, includes the GAC, the At-Large Advisory Committee, the Root Server System Advisory Committee, and, of course, the Security and Stability Advisory Committee. We also -- because of the empowered community and post-IANA transition groups, we also help them in their work and particularly the Customer Standing Committee and the Root Zone Evolutionary Reform Committee.

Going forward, we are 34 people based in many countries and a few time zones to help cope with our global activities.

And, of course, we look to the priorities of the various executive councils that manage the policy or advice development for the priorities. Though, as we all know, we have many in particular within the GNSO, the expedited PDP, the review of rights protections mechanisms, and the looking at the subsequent procedures as some of the major ones. There are generally about 10 to 15 working groups in each of these support organizations or advisory committees that do all the actual proposing and work. And we support them going forward.

So the challenge, of course, is going forward so we can use our team effectively to support the leadership in their work of advancing the policy and advice for the security, reliability, and stability of the Internet.

I'll turn it over to Ash who helps us with a lot of the tools that relate to that.

ASHWIN RANGAN:

Thank you, David. My name is Ashwin Rangan. I serve as Senior Vice President for engineering and technology. We're a service plank that provides technology and technology-related services to the organization, the community, and the Board.

For example, we provide global networks and the meetings network that gets stood up every time we have a meeting no matter where in the world it is.

And we provide connectivity for the global organization that we currently have within the ICANN org.

We undertake two specific kinds of work under the umbrella of engineering and IT.

One is the engineering of fit-for-purpose systems that get placed in service primarily for the benefit of the community in collaboration within the community. They could be websites. They could be tools that are used by the community to have collaboration amongst themselves. They could be just a telephony system, for instance, that makes available connectivity for people who are working and coming together from different parts of the world for a PDP or a working group.

The second is just to operate regular IT services. It could be things like, for instance, laptops and desktop support or regular telephone systems

or the meeting's technical services that we provide each time there is a meeting.

It may come as a surprise to the audience that, in addition to the three large public meetings that we have, we have another 40 or so meetings in different parts of the world large and small that also require similar support but at different scales.

Looking ahead, there are several projects that will be within our folks area. GDPR and whatever we need to continue to do from a GDPR perspective.

The naming services portal, which has been a work in process for the benefit of registries and registrars for a couple years now that is continuing work that needs to be done. And it will probably take the better part of the next two years before we see all the benefits of that.

ITI, the Information Transparency Initiative that we have.

Cybersecurity, which is not really a project. It's a never-ending race because it's always changing.

And, in collaboration with OCTO, the Office of the CTO, working on whatever we need to do from an IMRS or L-root perspective as we look out.

As Goran said, we also have an overarching objective in the foreseeable future. And that is to reduce the variety of technology platforms that we have in play.

We have over 100 different systems for the benefit of many different parts of the org, community, and board. And we were trying to bring that to a consolidated number that is fewer so that we have more of a platform control, if you will.

And, as we look out, we have very selective personnel increases in our view. We'll be extremely choosy about where we add and what we add. Thank you.

Now I'll pass it over to J.J.

JOHN JEFFREY: Thanks, Ash. I'm John Jeffrey, ICANN's general counsel and secretary of the ICANN board.

GORAN MARBY: And my deputy.

JOHN JEFFREY: And newly appointed deputy, co-deputy. That's also what I do. I correct people.

(Laughter)

GORAN MARBY: For the record, he has enough to do anyway.

JOHN JEFFREY:

My team works closely with all the different departments across ICANN providing advice and support on litigation issues, on policy, on bylaws, on different aspects of their support to the community. We work with engagement, with policy support, with just about every function inside of ICANN.

Some of our big unique things is we provide litigation management and readiness for litigation. By that I mean managing the lawsuits that are filed against ICANN, mitigating those lawsuits hopefully before they become lawsuits, and then working with external council when lawsuits are filed.

And we also work to provide advice with different parts of the community and with different parts of the organization to avoid those lawsuits and to make sure that we're compliant in compliance functions for the organization's compliance, not just contractual compliance.

Regulatory filings, concerns over anti-bribery rules, trade sanction rules, those sorts of things.

And we also work very closely with the contractual compliance team from time to time to provide legal advice and litigation support where necessary in those instances.

Almost all of what I talked about, particularly in the last year, has deeply engaged GDPR, meaning we're looking at every aspect of the organization. We've worked on an internal compliance program relating to GDPR with other functions inside ICANN. And we've gone

through a detailed review of all the different places where we collect data, how we use it, where it's maintained.

And we continue to do that as we roll forward and make the organization more compliant. We also, of course, are deeply concerned with external GDPR, in particular relating to the WHOIS program and have initiated one of ICANN's first lawsuits that it filed in the last year, ICANN versus EPAG, seeking from the German courts a clarification of how GDPR applies to the WHOIS program and the coordination by ICANN of that.

We also have contractual support and management team that works very closely on the registry and registrar agreements with GDD, on our various contractor agreements and license agreements across the organizations for OCTO, for IT, for HR, and for the meetings team.

And we provide accountability mechanisms support for reconsideration requests that are filed, for ombudsman complaints that come in and have an aspect of them within the org. Something that we need to provide or cooperate with. And for the independent review processes. Inside of ICANN we have this unique thing where we have an arbitral process that is managed from the bylaws provisions that allows anyone to bring a complaint against an action taken by the board or a staff member.

Last, I also oversee Krista who is our complaints officer, and she provides a function to the community to make complaints about the org. If you don't like something you hear here, go see Krista and she can

bring to us and challenge us, and she likes to do that on whether or not we're doing the right thing.

Also, my team provides support to the Nominating Committee. So we have specified Nominating Committee support that works closely with the Nominating Committee and is held at arm's length from the rest of the organization so that they can work independently.

We also have, of course, the board secretariat support issues. So we work very closely with the Board on minuting their work, making sure the resolutions are captured and published and that the rationales for those resolutions are published and that the paper and Board materials that the community likes to see after the Board makes a decision, to understand the decision more deeply. Each of the different team members provides inputs into the Board. Those materials are collected, collated, and presented with the minutes, right after the minutes. After each publication of minutes.

So that's kind of it.

GORAN MARBY:

I think that's enough.

It's kind of impressive, isn't it? He's a good man.

And my other co-deputy, Theresa.

THERESA SWINEHART:

Hi, thanks.

So I oversee the strategy and strategic initiatives department, and that has a couple buckets. The majority of the work is bylaw mandated so we actually have to juggle the requirements in relation to the bylaws themselves. Specifically, we handle the reviews, and in the context of the reviews, the specific reviews and the organizational reviews. So, for example, on specific reviews, ATRT review, the SSR, CCT, and RDS ones. In relation to those, the team provides the support to the community-related discussions and helps facilitate that, provide all the materials, the documentation, and move those discussions forward to the completion of the recommendations, then looks and works with subject-matter experts across the organization on the feasibility assessment and implementation materials that are relevant for the Board to take a look at the adoption of those recommendations. And then help monitor across departments, if needed, the implementation-related work. As many of you know, those reviews are in different phases at this point.

The organizational reviews, likewise we support the community in relation to those and any work in relation to the independent review process, and then manage the process at the various phases through implementation.

We have a couple other areas that are moving in the coming year; that is, the streamlining of both the organizational and specific reviews, which as you know are out for public comment. Also the Operating Standards that are relevant for the specific reviews themselves. And so that's, for this coming year, an area of work.

And then we end up also covering some of the specialized projects, strategic planning being one, the strategic outlook-related work which is an annual process. And in this coming fiscal year, we'll be looking at specifically the finalization of the strategic plan with the community, and then continuing to run the annual strategic outlook-trend related work.

Some other specialized areas. Work Stream 2, which many much you know is, hopefully, close to completion. We will then look at the assessment report and get that ready for the Board and then work with the community on the game plan for the adoption of those recommendations in line with budgetary issues.

And then we oftentimes get special projects, GDPR being one of them. Those special projects are ones that are -- involve a lot of cross-departmental related work. You've heard other departments talk about that. Help coordinate all that, and in regard to GDPR, both the external and internal, with other departments taking lead on their relevant parts.

And you may have recalled the Hubba-Bubba Project. So the streamlining of some of the processes, and we are looking at the next phase of that.

Small team, globally distributed, and a lot of interaction both within the organization, across departments, the community, and the Board.

JAMIE HEDLUND:

My turn?

THERESA SWINEHART: Your turn.

JAMIE HEDLUND: I'm Jamie Hedlund. I am in charge of contractual compliance and consumer safeguards. Those are two separate departments.

The budget this year, or it's for next year, is not much different from the budget this year or last year. It's driven primarily by personnel, which is driven by the volume and complexity of complaints that we get. So in contractual compliance, we have about 27 people, the largest number in L.A. which is where most complaints are North America based, followed by Asia-Pacific, second-most and then Istanbul.

Consumer safeguards. This is a role that was asked for by the community. It's one person, Bryan Schilling, who has -- continues to engage with the community to raise awareness about what consumer safeguards exist, and he hopes to facilitate discussion about what safeguards may be missing, what role ICANN may have in those. And so I encourage the community to continue to engage with him on those.

Going forward, the things that -- certainly don't keep me up at night but that I worry about a little bit is the mix of -- potential change to the mix of complaints that we're going to get as a result of GDPR and the temporary spec as well as DNS infrastructure abuse. We just recently kicked off an audit of all the registries to look into that in a way that we've never done before. Those are both -- both the temporary spec, GDPR, as well as DNSSEC abuse are somewhat more complex than a lot

of the routine complaints that we get. So we think we are adequately staffed for that now, but that could change. It could be that some of the more routine complaints that we get that make up a large portion of the total volume diminish and the more complex ones increase. So that's something we'll be watching over the next few years.

And with that, I will turn it to Mr. Conrad.

DAVID CONRAD:

Thanks, Jamie. Excuse me. Thanks, Jamie. I'm David Conrad, head of the Office of the CTO.

The areas that my team breaks down into is technical engagement, security, stability, and resiliency and research. I also recently inherited the IANA functions, and I'm holding that on an interim basis until otherwise told. And I have a bit of involvement with the Information Transparency Initiative.

In terms of technical engagement, this is the part of the Office of the CTO that tries to promulgate the information that's collected by both the research and the SSR groups to the community. Primarily, we're focused right now on capacity building and training and creating materials for the online learning platforms that we have within ICANN and, hopefully, be able to share the information from those online training learning platform modules.

On the SSR group, we're deploying the DNS Abuse Analysis and Reporting System, DAAR, which you may have heard of. There is actually a DAAR session going on at the same time as this. We're looking

to enhance that system and derive studies off of data that's collected by that system, primarily to inform the community about the -- sort of the status of DNS abuse within the DNS and the gTLDs. We've also received interest from a number of ccTLDs who will be contributing data into the DAAR system, and we are anticipating expanding that system moving forward.

The SSR team is also looking at significantly increasing the operational security community engagement and support. We frequently are in a position to help out the anti-abuse community, law enforcement, and others, in domain name takedowns, primarily providing information about ICANN's role, providing contacts within registries and registrars aimed at helping to reduce DNS abuse.

On the research side of my team, we have continued effort known as the Internet identifiers health indicators. And that's a set of metrics that's aimed at trying to gauge the health of the Internet and how that varies over time. The idea there is to provide information to the community whenever policies change to see how those policies are actually impacting the health of the Internet system of unique identifiers.

One of the larger tasks that we're going to be taking on in the next fiscal year will be a study that was mandated by the IANA -- the stewardship - - the transition of the IANA stewardship. And that study is looking at how the root zone management function should be evolved to see if there are any issues or risks with that system and, if there are, how those risks can be mitigated.

The other area that we're spending a lot of time and effort in is DNS technical community engagement and support. And that involves working with folks like the IETF, the DNS Operations and Research Center, trying to identify ways in which the DNS can be improved, supporting those improvements where we can, and facilitating discussions among developers of the DNS technologies.

My team is about 15 people, and we anticipate there might be a slight amount of growth in the way we do the technical early engagement. We're looking at regionalizing the technical engagement in the future, working with GSE and government engagement folks to try and help get the information out about the technical side of ICANN more effectively to the community.

And with that, I will hand it over to Cyrus.

GORAN MARBY:

I would actually -- I know that Sally is a little bit stressed, aren't you? Could I ask Sally and Gina -- to skip you for a second, Cyrus?

SALLY COSTERTON:

Thank you. I'm Sally Costerton. I'm head of stakeholder engagement of ICANN. And I work with three teams in ICANN team, the Global Stakeholder Engagement Team, the PRS team, Public Responsibility Support team, and of course all of you know and love the meetings team. You know and love all of the teams, but I think you're probably most familiar with the meetings team.

In terms of the priorities -- sorry. I should say they're all global teams. They're all distributed very widely around the world.

Nick Tomasso, who leads the meetings team, is also the managing director of our Istanbul office. And Rodrigo de la Parra and Jia -Rong Low are also leading -- and Jean-Jacques Sahel are leading regional offices in addition.

So one of the primary characteristics of the teams I work with is that global footprint. We have, therefore, to wrestle with many of the issues the community faces in terms of working across many time zones, trying to get teams together on calls when you might have one person, it's 11:00 at night and another person, it's 6:00 in the morning. But we try to put things in place to allow us to coordinate very effectively both within the three teams and across the three teams, as we have quite a lot of crossover in the work we do with the community.

In terms of the meetings team, the priorities for the next financial year are really around ensuring that we can -- that we plan to deliver the very best quality of meeting within the rotational model that we have in the meeting strategy, and we make sure that despite -- that we deliver the best value for money in the locations that we choose, and that we don't need to make tradeoffs of quality. So far, we're very happy that we've selected some excellent venues for the forthcoming period that also cost us a little bit less, but really represent excellent venues. And I think the community is going to find that we're going to have excellent meetings coming forward.

I work closely with David Olive, and Nick and I on -- with the community, with the SO/AC leadership team on the scheduling for ICANN meetings. And this is a very important focus for us, and it helps us to debate difficult issues about resource prioritization particularly rooms and time. How do we make sure that we try to limit the conflicts on the ICANN agenda? And increasingly, those decisions are made by the SO/AC groups and facilitated by -- by the three of us. And this is an important part of the ICANN meetings function.

In terms of the public responsibility support team, our primary focus for the next academic year -- academic year? Goodness. Where did that come? I don't even have school-age children anymore. For the next financial year, as we know, we have in this team the newcomer programs. A key area of focus for us is the launch of the new Fellowship Program, which many of you in the community have been involved with. And I want to take this opportunity to thank you very much for the input you've given us. The feedback given by the community means the program will focus more on SO/AC involvement on the selection of Fellows, a very deliberate matching of the requirements that communities have for the type of skills that Fellows need to have with the sort of Fellows that we're bringing into the system. So that should lead to much greater pull-through of Fellows once they have, if you will, graduated into the policy-making processes of ICANN.

The other -- the third area we are looking at is how to lower barriers to participation overall through capacity-building programs across the engagement team and the public-responsibility team. This is a big area of our focus. We benefit, of course, from a regionalized structure. We

have many languages at our disposal, and our success criteria are very much focused on bringing more participants into ICANN, not just to turn up but to participate meaningfully in our processes. And that way we will deliver our mission.

So I hope this is a helpful focus of the three teams that I look after.

XAVIER CALVEZ: Sally, you -- you will have to leave soon --

SALLY COSTERTON: Yeah.

XAVIER CALVEZ: -- with Gina, but you have help here of your departments.

SALLY COSTERTON: Thank you for reminding me, Xavier. Unfortunately I have to leave at the top of the hour, but I have Patrick here from the engagement team, Nick from the meetings team, and Ergys from the public responsibility support team. So if I am not in the room, they will be able to take specific questions on any of those three areas. So please take advantage of that, and I apologize. I wish I didn't have to, but this is the consequences of some of the scheduling clashes. We all feel them.

Thank you.

GINA VILLAVICENCIO:

Thank you, Sally. Again, apologies in advance. We have to leave at top of the hour.

My name is Gina Villavicencio. I'm the head of human resources and administrative or facility services for the organization.

Primarily the global human resources function is in charge of the employee experience from beginning to end. So that includes talent acquisition, compensation and benefits, training and development, performance management, employment policies, workplace compliance, among other responsibilities.

I expect the size and structure of my functions to not change dramatically or significantly in FY20 as we work to support all of the org's functions that you've learned of this afternoon.

We will ensure that the organization has appropriate competencies to meet both our strategic and operational plan objectives.

Thank you.

CYRUS NAMAZI:

Thank you, Gina. Good afternoon, everyone. My name is Cyrus Namazi, and as of about two weeks ago or so, Goran called me and asked me to step in on an interim basis as the head of Global Domains Division of ICANN as a result of Akram Atallah's departure.

Global Domains Division, or GDD, is primarily responsible for delivering policies and services. And in a moment I'll touch on some of the main functions and services that we provide. But one of the other activities

that we're responsible for is to essentially track the DNS market and provide funding projections that informs the budget exercise for our CFO, Xavier, and Goran himself. And Xavier asked me, actually, to provide a high-level overview of some of the funding trends in the domain name market for this session.

The -- ICANN's funding actually experienced a tremendous growth rate starting at about 2013 time frame, which was a result of the launch of the new gTLD program. As a result of that, in the subsequent three years, through FY17, our funding actually increased from what used to be a run rate of about \$85 million a year to about 135 to \$140 million a year.

What occurred in FY17 was that we observed a maturing trend in that growth rate, what I call the cruising altitude for our funding. And since then we have been pretty stable at a range of about 135 to 140. So this type of a market, right now we consider that to be mature, as I mentioned earlier, and we expect the growth rate of it to be in the single-digit rates going forward.

Practically all of our funding -- to be exact, 98% of it -- comes from our contracted parties, and that has two main streams to it. One is the fixed fees that they pay us, the registries and registrars, on an annual basis because of their contract, and the other one is actually what we call transaction fee. So every time a domain name is purchased or transferred, it counts as a transaction, and then a small fee is paid to ICANN, both by the registry and registrar.

We expect the FY20 funding to be in the range that I specified, about 140 or so. I won't bore you with too much details on funding. We do have a session, actually, on all of our financial activities, including the budget exercise, tomorrow. That's hosted by Xavier. And we actually have a track within that session where we do a deeper dive into our funding history and the projections and all the components of it.

So let me just briefly talk to you about the GDD's work.

GDD consists of several major tracks. And, as I mentioned earlier, one of the things we provide is delivering on services and policies. Some of these -- many of these are actually ongoing work. So we continue to budget for them in FY19 and '20.

We also, of course, monitor what's in the pipeline, things such as GDPR. We expect them to have quite a bit of an impact on the activities that we'll be doing in FY20. And the subsequent procedures will likely have an impact by that time frame. But these are policies and projects that have not been adopted by the board or approved. So we don't budget for them a monetary amount. We just track them and make sure that we're prepared for them when they come down as an approved project for us.

Some of the other examples of the types of services that we run or we work on to complete our -- like RDAP. This is a registration data service that is expected to replace the WHOIS service and so on.

And then, to deliver these services, we actually have service level agreements. This is sort of the dashboard that allows us to track our own performance against a certain set of goals.

And a big part of our focus and activity is on making sure that we deliver to these SLAs as well as to ensure that we constantly improve them and enhance them, which leads to operational efficiencies and such.

The other major track of work for us is what we call relationship management with our contracted parties.

This is a very key component of what ICANN does. And there are several benefits to that.

One benefit is, of course, the information that we share with our contracted parties in terms of their contractual obligations or the expected policy implementation and such activities.

On the flip side we also gain quite a bit of knowledge from them in terms of what are their key issues and what are the types of activities that they're involved in to help us fine tune our own work. So it's really a mutually beneficial activity for us.

Some of the examples of the types of things we do in this area in relationship management are the definition and execution of the GDD summit, which is an annual gathering for the ICANN organization and its contracted parties.

Next May it will be having its 5th year, for instance. We conduct webinars. We publish updates to our Web site and related material.

And, last, but not least, the activity that is relatively recent and new within GDD is focusing on registrants. So we have a small team dedicated on providing enhanced and improved content availability for the benefit of registrants.

So that's in a nutshell what we do here in GDD. And I'll hand it off now to Sally.

SALLY NEWELL COHEN:

Thank you, Cyrus. My name is Sally Newell Cohen. And I'm the senior vice president of global communications. I'm one of the newest members of the executive team and the ICANN team, so my update will be a little bit short. And I think part of that is because they're holding off the pace of giving me new projects.

So the functions that I oversee are communications and language services.

This is small team of 24.

And they're distributed in Los Angeles, Washington, Singapore, Istanbul, and other places around the world.

What we do is to two-fold. The objective is to provide a service to ICANN org, to the community, and to the Board. And we do that in several ways.

Communications is communications. So we provide that support through internal and external communications. The internal is also

two-fold. It's internal to the staff that ICANN board but also to the community.

And there's external communications to generate awareness.

So we do blogs. We create the content for social media, for newsletters. We work with our partners in the other departments in the community to develop content for them or to help them craft their content.

We conduct public relations and media relations in support of ICANN events and other opportunities where some of the team may be speaking.

We also develop the Web site content and delivery. And we partner with other teams to do so.

Language services is primarily focused on translation of documents into some of the U.N. languages, which are Chinese, Russian, Spanish, Arabic, and French. We also conduct interpretation and transcription services at all the ICANN events.

What are going to be some of the most significant programs for us going forward are language services in particular is an area we're looking at how to improve efficiencies in that area at the same time meeting the increasing demand for translations and for interpretation. So working there.

We also are going to be focused on communications for the strategic plan that will be coming forward. And also, although it's not a budget

item for communications, we'll be working closely with David Conrad's team on ITI.

In addition to that, one of the most significant initiatives for us is creating more consistent messaging about ICANN around the globe with the effort of increasing awareness. So those are some of the big things that we're going to be working on.

From a budget perspective, I'm expecting the budget to remain flat.

With that said, we're going to continue to look at ways to optimize efficiencies and to also continue to provide high-quality service with increasing demands of our services.

And that is the update.

And, Brad, I think I'm handing it back to you.

GORAN MARBY:

Before I give it to Brad, sorry, just a couple of my reflections.

By the way, I'm three people. Everybody else tell me. I'm three people -- me, Tina, and Cassia. If you haven't met them, they're the ones who run me.

The complexities I'd like to point out is currently we're about 400 people, 395-400 people, who now reside in 45 countries around the world.

So the reason why the organization is build up like that is to be able to provide support. I have a very good team. It's a very complex maze of activities.

And I have one question for you: Will I now get access to my Twitter account?

SALLY NEWELL COHEN: You will not.

[Laughter]

[Applause]

BRAD WHITE: We've now reached that point where we are entertaining questions and answers. The first thing I'd like to do is ask all the people who are lined up at the microphone queue to settle down. Stop pushing and shoving. You'll have a chance to ask your questions. We have no online questions. Thank God we have a question at the microphone.

Just a couple of rules. Your responses will be limited to two minutes. Goran will take your question and either respond directly or field to the appropriate executive.

ALFREDO CALDERON: Good afternoon. My name is Alfredo Calderon, ICANN Fellow 63 from Puerto Rico. I'm also a coach. So I wanted to congratulate Sally for the new fellowship program, which I was selected from my community at

large as the part of the selection committee, although I would like to be also a mentor since I'm a coach in this meeting as well for the fellowship program.

I wish I could spend a couple hours for my questions, but I'll approach each one of you to ask them.

But, in general, I was wondering if you're thinking of -- since we have the fellowship program, sort of creating an internship program so that some of the Fellows could have the opportunity to share semester -- if we're talking about academic terms -- within some of the areas of ICANN to learn what's going really out -- what's happening inside ICANN.

I know there probably would be some legal issues that should need to be taken care of. But think about that.

That will also probably help out with the skill sets within your areas where you have staff that don't require some specific HR areas to consider.

So that's just a comment on that.

Thank you.

GORAN MARBY:

Thank you. Not directly related to the fellowship program, but we're also developing internship -- also a word that doesn't exist in the Swedish language -- internship programs. So we've had that in several places around the world. That's a legal issue.

It's also a time issue for us. You may not believe it, but we have a lot of different things all around and also time to train people and give them meaningful advice. I take note of that. That was an interesting suggestion. No promises. Thank you. And who are you?

MARILYN CADE: My name is Marilyn Cade. As soon as you have an internship program that would help someone to learn about ICANN, I'll probably apply.

[Laughter]

GORAN MARBY: I will as well.

MARILYN CADE: Thank you so much for doing this.

And I both want to express my appreciation for the fact that you're spending your time doing this session, ask you to repeat it, but look next time at ensuring that members of the board will be able to sit in the audience and benefit from hearing the discussion. And look real hard at the conflicts of time. Because I think it's a very, very important session. And scheduling is always our biggest challenge at ICANN.

I wanted to now deliver the "but" message.

As you all know who have been here for a while, we have gone through a variety of approaches in taking community input on the operating plan, the strategic plan, and the budget.

And, in the last round, the community made some strong almost consistent comments about certain areas since we had to reduce expenditures in certain areas. We had to reduce expenditures over all.

The community generally made some comments that were consistent. And the decisions taken by the ICANN board and the org were not always consistent with the community's preferences on where cuts would happen.

You will, of course, hear more about that in the next rounds. But I think it's really important to understand that, as important as it may be to add more staff in certain cases or to add new programs, some of the existing programs that the community counted on, we didn't have a very long time to adjust to those cuts. And I hope we can take that into account if revenue improves in the future.

GORAN MARBY:

Thank you. I'm going to break this down. First of all, I would love to see board members here. When you talk about conflicts, as David said, actually where we end up in the calendar is not us. It's the SO and AC leadership. Go and talk to them.

That's something we deliberately did a couple years ago. I think it was after Hyderabad. The decision of where to plan sessions and which sessions to have was in the hands of where it belongs, to the community. In overarching -- we started a good budget conversation last year, last year in Panama. That's this year, isn't it? Last year in ICANN years.

[Laughter]

Whatever. It's Wednesday in an ICANN meeting. My brain left the building on Tuesday.

I think that one of the things we realized is that we don't have time to talk about priorities. 85% of our cost base are related to things you have decided in the community. And just one more thing.

We don't make the final decision about the budget. The community does. We are tasked to give the first version out. It's discussed by the community. The community gives us input. And, as you know, not -- yes, there might be consistency sometimes. But there are also inconsistencies. Some people want to have more. And everybody agrees we should save from someone else. But that's our job, and we have to take it. An the end the community through its empowerment process can say yes or no to it. But that's leaving that aside.

What you're really saying is very important. And something you've been talking to me about for a long time. We don't have time for priorities discussion.

What we've done over the years is like an onion, we put layer after layer of costs. And what we're doing right now is sort of peeling that onion. And what happens then? It smells.

Yeah. Sorry, communication.

So what we're doing now is that we start -- we do a small difference --

[timer sounds]

I'm going to keep on talking. We do a small difference this year. We actually start the budget process.

UNKNOWN SPEAKER: Time's up.

GORAN MARBY: Yeah. Try that one on me.

[Laughter]

I want to finish this off. What we're trying to do this year is to start the whole session, the whole process earlier with this session to have a conversation. We come out with a budget earlier, a month earlier, with a longer time for community input. But I don't think that's enough.

The Board has asked me to come back to you with a proposal for a 2-year budget cycle that will give time for priorities.

So you in the community can actually talk about what's good or what's bad. Because the problem is we have reached where I think is a good balance when it comes to how big we should be.

That means that we can't do everything. But there are probably things we shouldn't do the same way anyway. Sorry for taking your time. I will give you an extra minute for the question.

RACHEL POLLACK:

Thank you. Much appreciated. My name is Rachel Pollack. I learned to say my name slowly and clearly from Marilyn Cade. I'd like to tell quickly you a story about a friend I have whose first ICANN meeting was ICANN 56 in Helsinki. And she did the NextGen program.

And then ICANN -- what was it? 59, the one in Copenhagen was an ambassador.

In ICANN 63 in Barcelona she was the only person from her organization from an intergovernmental organization and, therefore, attended and had a seat at the table of the high-level government meeting on Monday and was able to take the floor and was even invited to the VIP lunch and had on her badge one of these little orange stickers.

Of course, that is me. The imaginary friend. Just a little story telling to say my last meeting I went to was in Copenhagen. And I haven't followed all the discussions. And I can imagine the pressures and, there is consistency. But I also know there are groups that, especially contracted parties, that one could say are extremely obviously very important and their voices need to be heard about how the budget is spent, which is one illustration of the power of these engagement programs. And how the people I've met through NextGen, through the Fellows program stay engaged. And some criticize -- and it's not you I have to convince and I'm not even trying to convince. I would say also just the example from UNESCO. When I hear what was a great cruising altitude of funding. And that is in the single digit growth.

The discussions we had two weeks ago at UNESCO are whether there should be zero nominal growth or zero real growth. It's a real debate.

We are not in a position to cut away any of the programs. And, in fact, the mandate keeps growing. And the staff works extremely hard to seek additional sources of funding to organizations like ICANN.

[timer sounds]

I have a little bit of extra time. I would like to thank ICANN. Because they have supported our work. And we have an MoU. And my mission for this week was to listen and observe and come back with ideas of how we can update this MoU and have a stronger partnership going forward. I'll say very quickly on the Internet health report indicators, we -- which -- Goran, I hope we are on a first name basis. We are Facebook friends. I don't know if it's you who runs it. But we have -- we're developing a framework called the Internet Universality Indicators, which ICANN has been involved in supporting that process as well as a study we did on the multistakeholder model looking at case studies in different countries. We're now looking to apply them at national level.

And they do include among the 200 indicators that we have, some related to ICANN and to the domain name system. That's one area. So engagement. And engagement by -- there was a lot of interest expressed on Monday at the high-level government meeting of the need for further capacity building for governments. And I know the work of the underserved regions committee has done a lot. Anyway there are many areas. I have to catch a flight after this, and I have no more business cards anyway.

But, if any of you will be in Paris for the Internet Governance Forum -- hands up. Round of applause. I'd be happy to meet for coffee. But I also can help set up meetings with our Assistant Director General for Communication and Information, Moez Chakchouk, who really wanted to be here this week and scheduling conflicts. It's the same week as the global week for media and information literacy, which is one of our main events. But with him, possibly with the director general for a couple of you. No promises. But I will pass along the message.

My name is Rachel Pollack. r.pollack@unesco.org. Please get in touch. Thank you.

GORAN MARBY:

Thank you. You deserved that minute, and you filled it well.

Here is the thing: One thing I would like to just to say something. We often use -- and I'm not -- I'm using what you said not in a corrective way but something that is very dear to my heart.

One of the problems I see sometimes at ICANN is we put labels on something. People in contracted parties, people in registrars, the org, Cyrus -- we put labels.

And we put labels. And then we say everybody under that label have an opinion.

There are many people in the contracted party house who thinks what we're doing in the fellowship program and NextGen programs are positive, because it brings people in. Because the queue is so long, let

me share something that I think is important and it's going to relate GDPR, but nothing really about GDPR.

We're the only organization, more or less, who was able to get information from the data protection authorities. Everybody tried it.

I didn't have a big gun with me. The only thing I had was ICANN as the multistakeholder model.

That creates that notion of ICANN as an organization with a multistakeholder bottom-up process creates the ability for me to go and talk to someone like that. And we got invited. We had 120, 100-and-something governmental -- what do you call it? Delegations. That's a good word. Here on Monday. For us. And it's all about the multistakeholder model. And one of those things are inclusiveness. So what we do in Fellowship Program and the next-gen programs, all the programs we do for outreach is actually a part of bringing people into the community. To do what we are to do, which is simple bring a service to the world of the Domain Name System. For people to use this interface, the Internet. We are not the Internet. So, and then we have -

[Timer Sounds]

Yes. Then we have budgets. But as I said on my opening speech on -- was it Monday? Yes, it was Monday. It was too early in the morning. I wasn't really there. That we should -- we have to deal with the budget issues. But that's not why we're here. We should never let the

budgetary issues sort of come into the way of what is our mission and what we're supposed to be.

We have to try to get along, but we have to start talking in priorities for ICANN. Inclusiveness, having people coming in, having people engaging in this important discussion is important for the existence of ICANN, and many contracted parties, most of them are agreeing with that. They come to meetings, they're part of them, and they're engaged in this, as well as everybody else.

So I think that we have much more in common when we actually talk to each other.

Thank you very much.

And why haven't you asked any question? Get her a microphone.

BRAD WHITE:

We have two final questions before we -- we're running a little bit over, but we have two final questions before we shut down the panel. One online that's in Spanish -- I realize that. We have one online that's in Spanish. My colleague Rodrigo de la Parra will translate, and then we'll take the in-room question.

RODRIGO DE LA PARRA:

Hello. This is Rodrigo de la Parra. I'm going to translate a comment and a question in Spanish.

This is Alexis Anteliz. He sends his greetings from Caracas, Venezuela. Alexis Anteliz is a fellowship alumni from ICANN, and he's congratulating all of us for the 20 year's anniversary, congratulating you for these sessions that allow us to know your work in a more direct and frank way. And the question is how can we participate more actively in the ICANN awareness processes referred by Sally? Thank you very much.

GORAN MARBY:

Go to ICANN website. Maybe not. Sally would -- we have many different outreach programs that can be reached, and I think the best -- who raises your hand here about now staff who can help to pinpoint that?

State your name. Contact this person.

PATRICK JONES:

Patrick Jones from the Global Stakeholder Engagement Team.

So I would direct Alexis to you as your the stakeholder engagement head of the Montevideo office in the Latin American region. I know that you know each other very well, so anyone that is in your region can talk to you about the outreach activities, and I know that you do that regularly with (indiscernible) and with other stakeholders in the region.

GORAN MARBY:

Thank you.

They're lining up. Welcome.

MARY UDUMA:

Thank you. My name is Mary Uduma. I'm from Nigeria. And I want first of all to congratulate you and your team for the good work you have been doing and --

[Timer Sounds]

-- giving us this opportunity.

I'll start again.

[Laughter]

For giving us this opportunity to listen to you, to meet your team, and to know what each time -- each member or which divisions you have and sections you have.

I want to say that ICANN org as an organization, I expect it to be forward looking and also be able to create jobs. And if we are to meet the demand of the young people we have on this it earth that have been costing us a lot of troubles, we should not be thinking of stifling your staff -- staff -- staff metrics or numbers.

So telling me that you're just -- telling us that you're just thinking that we have enough to work for ICANN, I think we should have a re-think on it, because first, the dynamics of the Internet and Internet governance and Internet space is something you cannot predict what will happen tomorrow. So I think we shouldn't just say because you have 395 -- 95 members of staff, that that's what you budget with.

And I'm also looking at job losses because there will be a lot of automation, and if there are going to be job losses, how do you handle that? So looking at forward-looking working environment and engaging more people, engaging more young people in particular. Most people here I met in ICANN, they are still the old people. Some of them are -- should be retiring and new ones should come up.

Thank you.

GORAN MARBY:

Thank you, Mary.

We do -- I think, boring enough, we have a budgetary constraint how much we can grow. That's the easy answer. But what I want to share something else, is what we're doing right now, and Gina could talk to it, is that we are building really a plan for the future when it comes to our competences. So one of the goals which I think I said a little bit about is that we are going through what competences do we have today, where do we have them, and what do we need in the future, which is very hard to -- So we're trying to figure out where the community is going to go with their demands so we can already start thinking about training our own people to make sure that -- that we have the right competence to support you.

For instance, we probably realized over the last year that legal advice is quite important. In the -- When we have more legal actions around the world, it can have an effect on your ability to make policies. We probably have to have more people that can give factual-based

information about how those laws works. And that is something we didn't really do just a couple of years ago.

So we will see many of those changes. And I will be very open, as always, with the community and talk about it.

Automation is not really what we're looking for, because we're in the peoples business. When people walk home from the office, my organization, that's all the intelligency I have. The good thing is they never seem to leave the office and they walk around all the time. I mean, we have a very dedicated staff; so dedicated, I sometimes worry about them. Informally, I'm trying to convince my staff in L.A. to eat lunch. If you can help me with that, I will be very happy.

So we are forward looking when it comes to the competence. But the real big thing, what kind of competence does the community needs in the future for us to support? But thank you very much for your support. And you are always very supportive, Mary.

BRAD WHITE:

So we have no other questions online. I see no one else at the queue. So before I turn it over to Goran to shut the session down, two reminders. One, I think we sometimes think that these sessions are viewed long after they actually occur online. If people have questions, submit those questions to the President's Corner. We'll get you answers.

The second reminder is the gala tonight which I'm told is on level -- is it P1? Behind the registration area. So we hope everyone can make the gala. With that I'll turn it back to Goran to close --

UNKNOWN SPEAKER: Brad, it's level P0.

BRAD WHITE: P0.

UNKNOWN SPEAKER: P0, ground floor.

BRAD WHITE: Okay. Thank you.

GORAN MARBY: That was another dark voice. Who was that?

UNKNOWN SPEAKER: David.

GORAN MARBY: Oh, I like that.

Anyway, thank you very much for taking -- you are the most committed one in ICANN here at this meeting because you actually came and listened to us. I am so grateful for anyone listening to us for this

because this actually matters. This is about priorities coming up. And I thank you for and I hope you will engage in the budget.

I also would like to say thank you to my excellent executive team, which I often forget to thank you in public so I would actually like to give a round of applause for you and for them.

Thank you very much.

[Applause]

[END OF TRANSCRIPTION]