MARRAKECH – ccNSO: Members Meeting Day 2 (1 of 3)
Wednesday, June 26, 2019 – 09:00 to 10:15 WET
ICANN65 | Marrakech, Morocco

JORDAN CARTER:	Good morning, everyone. It's 9:00, so we might as well start. My name is Jordan Carter. I'm from dot-NZ, so I'm a council member. This morning it is my delight to moderate a discussion with our dear board members who are not yet 16 but we've got time. My first task on behalf of Katrina and the council and all of us is to say thank you very much to the sponsors of the ccNSO cocktail last night. It was a nice event. It wasn't the sponsors' fault it was quite hot. The drinks were nice. The company was great. And I hope you all enjoyed it if you made it along.
	So, this session is a chance for you to ask questions of our board members. We are a growing contingent related in one way or another on the ICANN Board. Five in front of you today. There's a note to remember, I guess, which is that we'll be moving towards an election of an ICANN director towards the end of this year. So, that might be something you would like to ask questions about. I'm going to ask a question about that on behalf of all of you who I know will be stampeding and competing to get elected to the ICANN Board.

First of all, thank you to the five of you for making your time available this morning. I know that we all appreciate that. I get to sit on the barstool for reasons unknown, but there weren't enough, so we didn't make the directors sit on them. I hope that's all right with all of you.

So, the first question I was going to ask does relate to that point about the upcoming election. This is a question that you're meant to answer briefly and it is what's the one thing you wished you had known before you started on the ICANN Board, the thing you wished you had known that might help someone who's thinking about it think about it a bit differently or not? So, the idea is you'll give some nugget, something you didn't expect that you found out, something that you wish you had thought about before you got elected that will be interesting for people who are thinking about standing for the Board.

In all cases, if I think anyone is talking to long, either directors or people asking question or addressing statements, I will interrupt you. Why don't we start with Becky down that end?

BECKY BURR: Thank you so much for starting on this end. I think that I had a fairly good sense. Of course, I didn't know how much of a pain Chris was. The one thing I will say is the Board is very hardworking and it is quite collegial. Being on the board extends the length of

an ICANN meeting in an extraordinary way which is to say every ICANN meeting is three or four days longer than it used to be. There's two weeks of time that goes away in this process.

DANKO JEVTOVIC: Thanks, Becky. I was recently selected by this NomCom so I was quite well prepared to know what I can expect. But to comment on the workload is probably the most important thing. My belief is that it's actually very difficult – almost impossible – to have a normal full-time job and to be on the Board. But the [inaudible] on the Board is changeable in the way that you have as much work as you can digest but only the amount that is needed for normal functioning is like, I would say, 60 or 70% of the normal working day, putting all the travel in that. So, that was not surprising but it was a very important point for me.

What was a bit surprising is that normal ICANN meetings, possibly not including this policy forum, but an AGM, is so busy also the second part. Not the Board workshop but the meeting itself for the board members, so we don't really have enough time to get together with the community and to communicate and go through all the work groups you are working. So, this policy meeting for me is a good format because we finished with the board workshop and now we can visit all the constituencies. Thanks.

JORDAN CARTER: Thank you, Danko. Chris?

CHRIS DISSPAIN: Thanks, Jordan. I'm tempted to say that the one thing I wish I had known about before I joined the ICANN Board was that Nigel would be joining me. But I sense that what you want is an honest, straightforward answer.

This is not intended to be a downer but I think you need to know the truth. So, for me, the one thing I wish I had known is how tough it is to maintain the contacts and the ongoing relationship with the community that you come from. I missed being close to and as close to this community as I was and that's a real challenge, to try and maintain that. It's important to do it. I've done my best. But I think that, for me, is what I wish I had known because if I had realized it earlier, I would have been able to try and fix it sooner.

JORDAN CARTER: Thanks, Chris. Nigel?

NIGEL HICKSON: Thanks. I'll echo something that Becky and that Chris said but then I'll add something to it. Collegiality is a word that's used a lot

at the moment and it's for a good reason. The Board is in a pretty good place right now. As some of you know, going back decades, it wasn't always the case. So, that's the first thing.

Chris is absolutely right in the fact that maintaining, coming to all of the ccNSO sessions is a lot more difficult, impossible. I try and I have noticed that Chris is understating what he does because he has maintained his connection, speaking when I was still not a board member.

But two things. First of all, it's not as bad as you imagine. There's a lot of very positive things – things I didn't expect, little things. Secondly, it's the board's commitment collectively to assist you and helping you as much as it can. I've got a little thing that I'll send out later on after this session but one of the things that I'm going to mention is about training because people come to the board, they come from the NomCom and they might have no background in ICANN and people come from the community and maybe they need some assistance in building up certain, should we say, traditional board skills. ICANN's Board is committed to doing that. I've already been on three training courses that ICANN have arranged. It's more positive than you think, if you're doubting that we won't support you once you're sitting in Chris's irreplaceable shoes. Thanks.

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JORDAN CARTER: Thanks, Nigel. I've now got a vision of sitting in shoes. Lito?

LITO IBARRA: Thank you. Well, for me, I could say this never ending, ever growing list and variety of topics that we touch upon in the board, I have had the honor of serving in LAC TLD Board, LACNIC Board, and another Board. In the ICANN Board, we fill every three-day workshop. We fill it. And still lack enough time to discuss and go on the many issues. I will say that one thing that was pretty new for me was this large list of different topics that cover all of the ICANN, and Internet for that matter, area. So, you have to get to get up to speed, you need to [inaudible], you have to read a lot and try to understand all of those topics, be it that technical, legal, political and so on. Thank you.

JORDAN CARTER: Cool. Thank you. That's an interesting list of topics to tackle. The longer meetings, the can't be a full-time employee, the toughness of maintaining connection, the breadth of topics, the strong collegiality of the board are all some of those things that are mentioned. Thank you for sharing those insights with people.

This is also a Q&A format. Has anyone in the audience got a question at this point, something they'd like to ask one or more

of these fine directors sitting in front of us? I do know that it is 9:00, so caffeine may not have kicked in yet. Great, thank you.

SEAN COPELAND: Sean Copeland, VI. Picking up on – where's Katrina? There you are. You were putting me on the spot yesterday. Vested interest for me and this question is to Nigel and I appreciate all your comments and the talk about the training for going to a board. What was the experience like going from running or being your own TLD and that type of board to transitioning to being on this board?

NIGEL HICKSON: Thank you, Sean. Obviously, there are some skills that are common and some additional skills that are needed. What's common, for example, is the basics of fiduciary duty board governance. When you join the board, you'll be called into a little room with our general counsel who will put the fear of God in you. That's his introduction, that if you say and do the wrong thing you might end up in – what is it? Sing Sing? One of the super-max penitentiaries.

But there are very serious fiduciary duties involved. If you've been involved at a small board level, as Sean and I have, some of it will be familiar but it will be on a much bigger scale and some of the

skills that you need in dealing with a 16-member board are obviously a bit different if you have a two-member board and you're dealing with bigger numbers.

As I said earlier, ICANN has this commitment to continued improvement of its directors. So you're strongly encouraged – I think it's almost compulsory – to join your Local Institute of Directors or NACD or whatever the equivalent is in your country. The courses I referred to earlier, I'll run by these people and they are a lot better than I expected.

You all know I've got a bit of a technical background. I think the Board went out a year or so before I joined and said to the NomCom, "Steve is leaving. We need a lot more technical expertise." So they promptly put a large number of technical people on board, which is great, but I was sort of expecting my natural home in the ICANN Board on the committee structure was going to be the Technical Committee, instead of which a very wise person who's sitting at the extreme end of this table suggested that I got on the Audit Committee and it's proved to be quite an education and a growth learning experience.

So, the two committees I'm on are Audit Committee and Accountability Mechanisms, which for those of you who don't quite know what that is, that's the appeal mechanism for anything in ICANN, except matters to do with the delegation and

redelegation of ccTLDs which one day will become a subject around PDP. With that [inclusion] that's reconsideration request, things like that. Thanks, Sean.

JORDAN CARTER: Thanks, Nigel. Chris, you had an indication you wanted to add something.

CHRIS DISSPAIN: Yeah. Just to say that this board has processes in place that are incredibly supportive to new people. So, can you come to this board with no board experience at all? Yes. Will you get up to speed? Yes. Does it make it harder? Yes. But it is possible.

Can you come to this board representing the ccNSO without being a ccTLD manager? Yes. Do you need to know about the ccTLD community and CCs? Yes. Does the board do anything to get you up to speed on that? No. It doesn't mean it wouldn't but it's never had to.

I've done this before, I've said this before to you. If you go back to the Mike Silber example, when we put Mike on the board, we did it because the board told us we wanted somebody with board experience which Mike had. He hadn't run a ccTLD. He was on the board of ZA, DA but he had not really had any experience of that.

And he became one of our directors and stayed for nine years. So, that's just an example. It doesn't have to be someone …

And I just want to slightly adjust the thing about you can't have a full-time job. You can. But you just need to be aware that you are able to put the time in. And the worst possible scenario is that you are only giving up your own free time to do ICANN stuff. That simply doesn't work. So, your organization has to be supportive of you doing this because it won't work otherwise.

JORDAN CARTER: Thanks, Chris. Byron?

BYRON HOLLAND: Thanks. Byron Holland, dot-CA. Chris, I just want to pick up on a point you made there because I thought it was interesting. You said in terms of the onboarding process and preparation of board members for their duties. You said that ICANN does not provide background or …

CHRIS DISSPAIN: It does provide background, yes.

BYRON HOLLAND: Pardon me?

CHRIS DISSPAIN: It does provide background and it does provide an introduction because somebody who comes on from not the ccNSO wouldn't necessarily have a clue about the CCs. It does provide that. What I meant was there's no training course you can go on. Where is there a training course you can go on that teaches of a director? There's no training course you can go on that teaches you about being in the ccNSO. That's what I meant.

BYRON HOLLAND: Okay. I just wanted to clarify that. So, there is a background or an education [about] CCs.

CHRIS DISSPAIN: Absolutely. Yes, absolutely.

BYRON HOLLAND: Thank you.

JORDAN CARTER: Young-Eum?

YOUNG EUM LEE: Thank you, Jordan. This is Young-Eum from dot-KR. I'm going to go off on a very different topic, if that's okay. Well, the ccNSO has

become an empowered community within ICANN since 2016 and the various SOs have been sort of struggling with the various mechanisms, the new mechanisms, that have been put in place. Some we are sort of getting the hang of, some we're still not up to par in launching it. We even have bylaw change suggestions.

Without getting bogged down to any specific issue, in your general impression of how the ccNSO is doing as an empowered community, what do you think we're doing right? What do you think we may be improving ourselves on? And your overall prospects for a real empowered mechanism working within ICANN? Thanks.

JORDAN CARTER: Who would like to have a go at that one? Nigel?

NIGEL HICKSON: The answer, in this case, to both what we're doing well and what we're not doing well is perhaps the same thing. I'll explain it in a second. Steven, pay attention to this, please. The ECA relies – it's effectively on one person that has gone from the ccNSO. That person has gone so deep into the role that he's a subject matter expert on it and he seems to be the only one. This is the negative side. If something happens to Steven, we'd be in problems. Not just the ccNSO but the empowered community. Steve is doing his

best to … I saw a very good presentation to ALAC the other day that he gave on the empowered community. But that, to my mind, is the big risk on the empowered community, that people generally don't engage with what the mechanisms are they need to be engaged with since transition and people forget what they are and they just fall into [inaudible] and so on. So, that's a bit of a worry for me, particularly as I say with a single point of failure that we appear to have.

JORDAN CARTER: Thanks, Nigel. Chris?

CHRIS DISSPAIN: Yes, I agree that Steven has picked up the baton, so to speak. I'm reminded of when the budget process used to basically be a discussion between the CFO and the ccNSO. And it was the ccNSO that actually committed to – and Roelof and others led this sort of thing of having [inaudible], let this thing of having the ccNSO really, really interface Byron as well, interface with ICANN on the budget.

The key to that is that, at the end of the day, others came along. I would encourage you, having had Steven decide to dive in and take the lead on this, the key is not only to find other people in the CCs who want to learn some stuff about it, but also to try very

hard as a community to drag the others into being involved in this so that it isn't just an "only used in emergencies, we don't need to worry about process because it's just in a cupboard somewhere". It's actually quite important.

The thing is, if it is an emergency and you need to use it, you need to know what you're doing. It's about getting everybody else involved in that process and finding ways of encouraging others. Thanks.

JORDAN CARTER: Becky has got a comment as well.

BECKY BURR: In some ways, the empowered community concept in the bylaws is not meant to be an ongoing, heavy duty lift. It's supposed to come into existence when it's needed. So, there's the tension that I think we're all talking about, about needing to have enough knowledge about how it works in the community but not turning it into an imposing structure.

It's not surprising – nobody will be surprised here to learn that there are … We're learning as we go along about places where the bylaws, the post-transition bylaws need to be tweaked here and there. There's one particular one with respect to CCs that is

important and I think we'll be looking at a series of small tweaks to get things right.

There's one place, one thing that doesn't feed in exactly to the empowered community pieces of the bylaws but I do want to put in a plug for the independent review process, the implementation oversight team. When we did the transition bylaws, we created the concept of a real judiciary for ICANN. Obviously, not relevant for delegation and redelegation requests but for all other kinds of disputes about whether ICANN has acted within its bylaws. That is something that has impact and meaning for the CC community.

Our goal was to create a standing panel of arbitrators, judges, who actually understand ICANN, understand the ICANN community, understand the issues, our mission and the like and to create the rules for that judiciary going forward. That process has gotten bogged down and we are looking to revive it. The CC community has something to offer here. Experience with dispute resolution across a variety of different cultures and legal systems, and it is about as important as it gets in the ICANN governance structure.

I know you've heard the call to revive the volunteers here that are part of the implementation oversight team, and I hope those of you who have those skill sets within your organizations will think about participating in it.

JORDAN CARTER: Thanks, Becky. It looks like Steve has got a question or something.

STEVE CROCKER: Something along those lines, getting back to the ECA. Thank you, Nigel, for pointing that out. Sometimes it's not nice to be a single point of failure in terms of getting quality sleep.

With regards to Becky's comment, it is not a huge lift. There are events that are predictable with regards to EC activity regarding budget and planning and so on. The outliers are the bylaw changes and I know we have one coming up. We've never gotten a rejection action and that's where things would really get … That's where the heavy lift would be with regards to EC activity if we ever received a rejection action.

Just so you know, I've been doing some cross-community outreach efforts with regards to education of what the empowered community is about, let alone the ECAs about, and I'm going to continue to do those efforts. I just wanted to make you guys aware of that.

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JORDAN CARTER:	Thanks, Steven. I know that Giovanni has got a comment to offer. He looks shot but he isn't. He's just being dramatic. He's got a comment to offer about the planning process and an offer I think about data.
GIOVANNI SEPPIA:	Thank you, Jordan. I have a set of questions, if you have papers to take notes. First of all, thank you. It's a very constructive dialogue we are having at every ccNSO meeting with the representatives of the ICANN Board, so thanks a lot for your availability.
	Secondly, we are just entering to the next strategic plan and ICANN has just released the very draft high-level operating plan and financials for fiscal year 2021-2025. There are 16 initiatives to support ICANN to achieve the strategic objectives. One comment that we have already made to ICANN staff is that we would like to know a bit more about the rationale that has led to select those initiatives because sometimes in the document that's not so clear.
	But there is a set of initiatives that is about the multi-stakeholder model. My question to you is how do you see the multi-stakeholder model evolving, improving? Because one of the strategic objectives is about improving the effectiveness of the multi-stakeholder model, and we at the ccNSO level, including

the ccNSO Strategy and Operating Plan Committee, we have discussed a lot about the fatigue of the multi-stakeholder model. So, what's your view about the multi-stakeholder model? That's my question.

An extra comment, so I can go back, is that yesterday Leonid highlighted that ICANN has an incredibly powerful intelligence network because there are more than 170 members of the ccNSO and we are happy to share data about the ccTLD industry growth weaknesses, strengths, whatever. So, sometimes when we see data, relying on third parties rather than being asked to answer, I think that we would really be happy to share what we have in our industry, in our different regions because I believe that the data we have are a bit more sound than the data you may get from a third party that does not [inaudible] in the day-to-day job.

So, the question was about the multi-stakeholder model. What do you see and how do you see it evolving and improving? Thank you.

JORDAN CARTER: Who would like to offer something on … Lito?

LITO IBARRA: Thank you. Well, I think most of us – or all of us – would like to see the multi-stakeholder model evolve to become a more effective

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and efficient way of doing things. I think we have been – not we ICANN, but in general – the multi-stakeholder model could be or has been criticized because of the time, for instance, that we take to get to a decision, to get to a point to start doing things. And I think we have to struggle a lot to make it efficient and still remain open to the different positions.

We have been seeing in the recent past some governmental initiatives or comments that will be more, I don't know, happy to take over in the administration or oversight of what we do in ICANN. And I think this is one of our weak points. That is the reason I think behind having that as a strategic goal. We need to improve our own processes, our own speed and efficiency that we have in our methods and processes. That's what I think.

JORDAN CARTER: Thanks, Lito. Chris?

CHRIS DISSPAIN: Giovanni, thank you. That's a really, really good question. First of all, I think that this community and the model that we use to do stuff is extraordinarily robust and able to achieve an enormous amount but it is correct to say that it is stressed and that there are challenges.

How we solve those, what mechanisms we use to solve those, I'm less concerned about right now. But what I do want to be clear about is what we're actually talking about because parts of this community operate at different levels of efficiency and effectiveness.

So, the ccTLD community and the ccNSO is an effective, and I would suggest efficient, way of managing ccTLD – global ccTLD – matters. And the ccNSO has put things in place that enable its contribution to meta matters like budgeting and so on and strategic and ops plan to be clear and understood and community wide within the ccNSO.

I would argue that, actually, At-Large also has made huge strides to become a much more effective and efficient community. The GAC is slowly moving towards more collegiality. It's a larger group and so on.

But there are challenges and we all know that some of those challenges are based in the GNSO, and a lot of the time when people talk about improving the multi-stakeholder model, what they're actually talking about is improving the way the GNSO functions and improving the way that, for a small number of cross-community issues, the whole community operates. That's what I think this improving the effectiveness of the multi-stakeholder model is about. It's about issues that arise in respect

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to cross-community stuff because we don't necessarily have mechanisms in place to deal with that.

We now have this concept of CCWGs, but they're unwieldly, slow. Our experience of them so far is that they're unwieldy and slow and maybe not suited to all types. So, I just [inaudible] clarity, so that we [know] what we're talking about.

How we solve it is the same way that we … The paradox is that we put stress ourselves by trying to solve it because it takes volunteer hours in order to try and solve it. But I think we still have to get through it.

I do think, however, that we should acknowledge that it doesn't have to be done tomorrow, that it is a long process and it can be done over time. Thank you.

JORDAN CARTER: Thanks, Chris. Nigel and Danko as well. Nigel?

NIGEL HICKSON: Thanks. Just very briefly because that's a fairly comprehensive answer. Improving the multi-stakeholder model has to be a conversation whether it's with the ccNSO or with the GNSO or any other part of ICANN. We can't just go out and do it on a piece of paper on our own. Volunteer fatigue is a real issue in all parts of

the community and little improvement will happen unless we get some feedback as well as trying to push things. It's not good pushing and saying, "You will be improved tomorrow this way."

JORDAN CARTER: Danko? Thanks, Nigel.

DANKO JEVTOVIC: I am not on a multi-stakeholder model but the other question. So, if I jotted correctly, first question was thank you. I wanted to thank you for the ccNSO and the SOP, your group, for the feedback you are getting us for the planning strategy and financial budget cycle. It is extremely important and I think the best feedback we are getting is actually from you.

So, speaking of the operation plan for the next five years, it is true that this is only first draft. It is a bit rough in that sense. But it is very important I think that we received that collectively before this meeting here. It is only on the board, it has been recently read and presented on the board also, so we don't have much more information than you do. Of course, some of the narrative and explanation and reasoning will be built in.

I was yesterday here in a very interesting session about the plan. We are really looking forward for the feedback on that from your

group and I think some of the points that are trying to be emphasized are well put.

Another point about cooperation with the ccNSO. I think it is an area that can see some improvements. For example, one of the points that was discussed and Leonid had a discussion about that yesterday was that ccNSO members can be better cooperated with by getting information from your jurisdiction what is happening. But also it is important to point from the side of ICANN as a global organization some specific understandings of the multi-legislations in between countries and in different regions is also important.

So, if you look into some of the solutions that CCs are applying, we can see that even countries with similar jurisdiction rules, CCs are having different solutions. So, on the ICANN level, we need something different.

One more very important point. Part of the operational plan was also this discussion about funding. We had an I believe more detailed presentation about that than you did. I just wanted to say that data that Org is presenting in the [inaudible] funding model is not data supplied by the [inaudible] consultant. It is data that is built by the Org team and very much work has been put into that. I spoke with Cyrus yesterday and encouraged him to

bring to the ccNSO more information how process is done and how much work is actually built into it.

From the G side, we know that there are publicly listed companies that are doing domain name registration and their information about that is public. And also projections that are made by ICANN are also influencing their market value in a way.

So, it is very serious business and all information is there. But on the other hand, knowing what CCs are doing in a special region or organization, like CENTR, doing extremely good job of data. I think we can benefit more on both sides of that. Thank you.

JORDAN CARTER: Thank you. Becky, you got one on that? No? Okay. We've got about ten minutes. Are there more questions? Roelof?

ROELOF MEIJER: Thank you, Jordan. Since we are on financials, I think it's because of text form filed by ICANN that there is some rumors and speculations about the salaries paid to the top layer of ICANN employees. So, I have three questions. The first one is does the board monitor these things? If the answer is no, then question two becomes why not? If the answer to question one is yes, then question two becomes and what is your opinion about it?

The third question is how transparent is ICANN about these things? And we're not talking about the individual salaries, of course, but let's say average salaries and certain ranks or the average salary of the top 20 paid staff members. How can we get that information?

JORDAN CARTER: It looks like Chris wants to take that one.

CHRIS DISSPAIN: I'll take this, I'll take this. Okay. The answer to your first question is yes. The second question, what was the middle bit again? So, your question was what's our opinion? Okay. Let me give you a bit of background.

There are a number of people in the executive team that are officers of ICANN. They include John, Theresa, Xavier, Ashwin, Goran. Anyway, there are a number. In respect to their salaries, any change to that is approved by the board. That's in the bylaws. The board passes resolution that says, "We agree the following things."

All other salaries are a matter for the CEO and for him to work out whatever system he has in place to deal with those.

DANKO JEVTOVIC: Within the budget.

CHRIS DISSPAIN: Within the budget obviously, yes. Thank you, Danko. Each year, Towers Watson, who are our independent consultants on this issue, do research on – and I believe that these reports are published but I'll double check that – do research that says in the industry sector that we're in, taking a mixture of profit and not-for-profit, etc. The goal is for us to be in between the 50th and 75th percentile of their suggested salary range. All of that happens internally in ICANN, and in our sight specifically for those people who are officers of the company where we actually approve it.

It's the same organization that we do a survey on board payments to see if they needed to be adjusted. So, there is a very, very robust process in place to ensure that ICANN is able to retain its staff, but at the same time, to sit within a reasonable pay range. In fact, we had a conversation about this two or three days ago – four days ago – at the board retreat. So, you must have a bug in the room because you've managed to bring it up at exactly the same meeting.

What was the third question?

ROELOF MEIJER:	The third question is … That's a very good system. We use it at SIDN as well and we roughly end at the same percentages, so I think the system itself is sound. The third question was how transparent is ICANN about this, about salaries, the average salary being at certain layers, etc.?
CHRIS DISSPAIN:	I think the CEO's salary is public. Do we publish the officer's salaries?
BECKY BURR:	As a requirement of US tax law, a certain number of salaries are made public. So I think all of the officers, those salaries are – at least salary ranges – that are pretty clear are published annually as a result of the Form 990.
	I'm not sure that I've seen information about average salary. Average salary within this band of management or whatever. I think that is an interesting question that we could take back to ask about how transparent we are with respect to salaries more generally other than at the top where I think there is a legally mandated high degree of transparency.

CHRIS DISSPAIN: And I think we can say that we will take that back because you raise a very interesting question.

ROELOF MEIJER: Okay, thank you. I asked the question purposely here because I don't want to add to the rumors and the speculations by doing this in the next public forum or something, unless if it's not necessary. That would help if you could come back to us and tell us where we can get that information or give a view of what kind of information we can get.

CHRIS DISSPAIN: I'm assuming – I don't know – that the rumors and speculation are that everyone is – lots of people – are paid a lot of money. Is that what we're talking about or is it something different that I don't know?

ROELOF MEIJER: Well, the rumor that I heard is about the top 20 people and average being around half-a-million a year.

CHRIS DISSPAIN: Okay. Fair enough. That gives me something to go on.

ROELOF MEIJER: Now, if you know now already that's rubbish, then you tell us.

CHRIS DISSPAIN: I don't know the top 20, so I can't answer that question. I know the top five or six.

ROELOF MEIJER: Okay. We'll wait for you to get back to us. Thanks.

JORDAN CARTER: Thank you. I've got an online question. Oh. You'll need a mic. Online engagement from Kim.

[KIM CARLSON]: We have a question from a remote participant, Peter Van Roste. "On this initiative to formalize the 'ICANN Org funding model' you mentioned the need for ccTLD data to inform that discussion. Does this mean that there could or would be an impact on the current ccNSO contribution model?" And a follow-up to that. "Potential follow-up. If not, what is the relevance of the ccTLD data in this context?"

CHRIS DISSPAIN: Can I take that offline? Do you want to try? Because I'm not sure that I'm clear, but go ahead, Danko.

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DANKO JEVTOVIC: I believe that question has two parts. Nigel, which one you want to take? The first one was about getting the data and improving the funding model but the second part of the question was about contributions and I presume you wanted to say something about that that's more important.

NIGEL HICKSON: Yeah. Chris, I think we'd want to take this offline and study this rather than doing it on the fly in the last two minutes.

JORDAN CARTER: I think that would be better, also because we're out of time. We can get a proper answer and not run our session over. I'll reiterate the thanks that a number of people have offered. Thank you, all, for coming and spending the time. Thank you, all, for listening and adding your questions to this dialogue and we look forward to seeing you all again next time around. Nigel, you've got one last point?

NIGEL HICKSON: Yeah, just one last point. Before coming here today, I did a little page talking about my experiences as a newcomer ICANN Board. It's covered in the discussions, some of the things I wrote late last

night. I've sent it to Kim and she'll be sending it out fairly shortly. So, if you have any feedback or want to talk – if you want to run for the ICANN Board and want to come talk to me, I'd encourage that. Thanks.

JORDAN CARTER: Great. Thank you, Nigel. The next session, of course, is on the ccTLD financial contribution model. So, with that, thanks again and we'll see you next time.

[ALEXANDRA REYNOSO]: Good morning, everyone. Whoa, it was loud, just to check if everyone was awake. Hi. Please welcome Becky and Xavier. We are going to talk about ICANN finance and the ccTLD billing process.

So, if you remember last time we talked about this in Kobe, the finance [section] in ICANN showed us that they were very, very flexible regarding how to accommodate the needs of each and every one of us from the currency in which we would like to be invoiced, the different possibilities of payment, and even the timing that this invoicing is done.

It only is a matter of communication. For that, they gave us an email address that is accounting@icann.org and we also discussed about a document where we could refer to to show us

the process on how this billing could be, it is done, and that is what we are going to be showing today. So, please.

BECKY NASH:

Thank you very much. Good morning, everyone. Good afternoon. This is Becky Nash from ICANN Finance and I'm going to go over a short presentation which is just going to cover the ccTLD billing process. Maybe you could advance the slide.

So, very quickly, we're going to go over … We just had a quick introduction and then we're going to go over the invoicing procedures and then a frequently asked questions process, and then talk a little bit about the next steps. There we go.

So, just as Alejandra had just said, we met in Kobe. We came to present and we had a Q&A where we wanted to listen to the challenges as it related to the ICANN Org ccTLD invoicing process. So, as a result of the conversation that we had together in Kobe, we took an action item to examine what the process is in order to communicate out better to the ccTLDs about the overall billing process for voluntary contributions and we did prepare a document that we're going to talk about today. This presentation is just an overview of several of the key steps where we identified that there were challenges both from the ccTLDs and also from the administration side of the ICANN Org billing side.

So, what we've done is used this next fiscal year, which we call our fiscal year 20 for ICANN which will begin July 1, 2019 and run through June 30, 2020. We're going to go over the end-to-end process which again we will be publishing as well in a document that we'll talk about at the end of this meeting.

But the process launches each year after the end of the prior year. Our June 30th year end for ICANN Org – again, it's in the middle of the calendar year in June – once we close the books and report out on the prior year, we're also starting the billing process for the next year.

One of the very first processes that the ICANN Org billing team works on is just to make sure that we have all of the appropriate contacts for the invoicing process. I know we mentioned that in the Kobe meeting that we had with you and we've mentioned it over time through newsletters and other engagement activities that we just ask that all of the CCs please email us at ICANN Org which is accounting@icann.org if you have any changes in your e-mail address for specifically the invoicing process.

Just to give you a little bit of background, we track always the main primary contact and also the billing and invoicing contact. So, we spend a lot of time behind the scenes just trying to make sure that our list is up to date. We review the status of any returned emails or any changes that you've sent to us during the

year. We do make those on a timely basis, but from time to time, we find that we get email bounces or emails that come back to us.

So, we do spend a significant amount of time between July and August, specifically before we start emailing out regarding voluntary contributions for the next fiscal year.

We do want to assure you that if anybody does email accounting@icann.org with any changes throughout the year, we have all of the process set in place to make sure that we're updating what we call our master customer database. It's just a listing where we keep all of the billing contacts. And throughout the year ICANN Org – the last box here – is that we do work within ICANN and specifically with the GSE, the Global Stakeholder Engagement Team, the regional VPs – just to go seek out if there's been any changes in contacts.

In summary, I know that you've been very patient with us. We mention it every meeting. But please be sure to inform us if you do have any changes in the billing e-mail address and contact details.

After we have started evaluating the process to launch what we call the annual cycle, the next key step is that ICANN billing and accounts receivable team or ICANN accounting will be sending out the initial email to the ccTLDs inquiring if they would like to contribute. The labeling that we use or the request that we are

sending in that email is related to an inquiry. If you would like to contribute for what we call FY 2019-2020.

Once we have sent that email out, what we're awaiting is a confirmation. And I know we've had this discussion before, but what we would like would be a return email acknowledging the receipt of our email and with a confirmation that a contribution – a voluntary contribution – would like to be made.

If we don't receive any acknowledgement of our email – and it could even be, "We'll get back to you soon," that would be great – then we will start to send reminders and we try to do it every other month. That's just, again, timing that I think may work for everybody where you don't want to hear from us every week and we have just a reminder to follow-up on any of the emails that we haven't received acknowledgement or a response.

Then, throughout the year, which again is primarily ICANN's fiscal year, we will start to receive email acknowledgements with a confirmation that a ccTLD would like to contribute. Once we've received that email – and again it is a key step in the process for us that we receive an acknowledgement – then ICANN Org will actually prepare an invoice indicating a contribution and we will email back the invoice which is the item that's used in order to make a payment. That invoice is something that many of the CCs ask for, and again, the only time that we can send it is after we

receive an acknowledgement email with a specific amount that the CC would like to contribute. So, that's the two boxes on this slide.

Then, at the bottom, as we indicated, with send back the invoice and the invoice will have the payment instructions. We also have a webpage on ICANN Org which is called our Billing and Payments page. That's also where anybody can review the suggested methods of payment of which a wire transfer or ACH payment is most welcomed for these voluntary contributions.

Once a payment is sent after the invoice has been received, we ask that you reference the invoice, just so that we can then confirm back that we've received the payment and from there you would have been reported as paying the contribution for that fiscal year.

Once ICANN Org then has the annual contributions, we prepare a report at the end of each fiscal year. Similar to approximately this time last year, we start to prepare the annual report of all of the ccTLD contributions that have been paid for, and it is a paid not necessarily invoiced on that actual report. It's a custom or a report that we designed to track all of the suggested contributions that have been paid for by fiscal year.

We then prepare that report, and similar to last year, we like to share a draft of it. So, the invoicing process kind of concludes that

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a box at the bottom of this slide where we're at the point in time where we prepare the annual report.

On this next slide, we talk a little bit about the expanded process that we've been taking in order to seek feedback on this annual report. So, we start to do a review right after the end of the fiscal year in July of each year and then, by August, we like to send a draft of the report around. That's just so that anybody that feels that we have either misclassified or labeled something in a different year, maybe doubled up in one year, contributions, we give everyone the opportunity that has paid a contribution to just give us feedback. It's just a way to have an interactive involvement on this annual report.

The annual report is something that's available on our website under "financial reporting" for each year. So, it's out there under all of the financial reporting and it each year has five years' analysis of contributions received.

So, after the August draft is circulated, that's when we take any questions and resolve any comments or feedback, and then during the month of October, as early as possible we like to finalize the report and then move to publication on the ICANN Org website.

This next slide, we are going to talk a little bit about some additional documentation to the process. The first few slides was

an overview of the process for invoicing and we will be publishing this process in a document. The second part of the document is something that we have found may be useful – and we'd like to hear feedback on it. It's the Billing Frequently Asked Questions. So, FAQs is commonly a document that helps the billing department interact with people that are invoiced. They've been prepared just to cover the most common billing questions that we get. So, it's a resource tool. It's not exhausted. You might have a very unique question. If you do have a unique question that's not answered in the document, we absolutely request that you email us at accounting@icann.org and we're more than happy to provide a response.

The FAQ is something that will be listed as ccTLD Invoicing FAQs, or frequently asked questions, and we have prepared a draft that after review we plan on posting to the ICANN website, again, under the Billing Invoicing and Payments page.

The FAQ includes several common questions about how to contact us to change the billing contacts which is something that we've covered, how to make payments for the ccTLD contributions. In addition, the overview of the billing process that we just went over is going to be listed there in case during the year there are any questions. Then, we have just a few other questions on who to contact for other non-invoicing type questions and other information that we hope is useful.

We do plan to post this on icann.org but also we're talking about having a link to the ccNSO page, if that's something that the group feels is very useful.

For the next steps, at this point in time, we have discussed about a review and receiving feedback on the FAQs by mid-July and then we have a deadline that we would like to target towards having it published on the icann.org website by the end of July.

So, these are all the slides that we prepared, just to give an overview and to discuss the process documentation and the FAQs that we're looking forward to finalizing. I think we have a request on the FAQs. Thank you.

[ALEJANDRA REYNOSO]: Thank you very much, Becky. I was wondering if there are any questions or comments right now from the audience. Yes, Leonid?

LEONID TODOROV: Thank you very much. Thank you for update. I'm happy that you are posting some progress in the matter. I have a couple of questions because I found it a little bit bizarre. If I understand correctly, you have some stuff digging through old files to find out who is your point of contact in a given ccTLD registry to make sure that you can communicate with that person and ultimately bill

that ccTLD – I mean, invoice that ccTLD. Is that correct? My sense is that, for that reason, you have regional organizations that might help you – well, we can charge some commission fee but then we can just discuss it behind the scenes – with the contacts. It seems to me that for a data-driven organization, it's pretty strange to have that menial work done over a certain period of time.

My second question is about the invoicing period because, once again, I can see some, I would say, challenge in [inaudible] between ICANN's fiscal year which starts in July and our regular calendar year which is used by most ccTLD registries, particularly in the APTLD region. We have a lot of governments that run ccTLDs, and for governments, they are very strict and rigid in whatever fee should be budgeted well in advance, given the calendar year. Thank you.

BECKY NASH: Thank you very much for your questions. They're essentially in two parts. One, again, is about the contacts. Just to clarify, we do not go into old files in any way to look for contacts and we do leverage or use all internal sources that we can in order to ensure that we can reach the appropriate party.

In the past, we've had times where we get a returned email and we just want to make sure that we're doing the appropriate

research. So, the first stop is that we do leverage internally IANA in order to get a primary contact. That contact may not be the right person to send an invoice to or write an e-mail address but we ask them. We follow-up. We work here with the support team for the ccNSO to do outreach, just to make sure that we have the right e-mail address.

Again, most of you, we are not contacting about your e-mail address because we know you and we received acknowledgements back that it's the correct e-mail address. It's really only for groups where the address contacts have changed and we haven't been notified. Again, we've put in place during the year to capture all of the changes that are emailed to us. So, it's not a big effort but we're really looking for being able to email out this annual email of requesting a contribution to everybody without any returned emails.

As I listed on one of the slides, we also leverage and speak to the regional VPs from the Global Stakeholder Engagement Team and they've been very helpful in reaching out to some of you if we're not able to contact you for the right person to send an invoice to.

And I would just make a request that if you receive an email from us and you're not the right person and there's another contact for some reason for the invoicing process, please reply to us and

provide us the appropriate e-mail address and contact name of who should receive the email, should it not be the one that we're sending it to.

Then, there was a part two. Oh, the timing. Yes. Fiscal year. So, the reason why we label … Sorry. We want to make it as convenient as possible. So, often, on our reporting, we add two fiscal years – or two calendar years – in order to make it as simple as possible.

We understand that many ccTLDs may do budgeting or planning for a calendar year. As such, we are happy to receive any suggested voluntary contributions at any point during a calendar year.

From an ICANN Org standpoint, we're just sharing the information that we run our financial systems and our reporting is on a 12-month ending June 30th each year. So, when we do our formal reporting, say an audit report or this report, it's always an annual year of 12 months ending on June 30th each year. So, hopefully, the tracking using the calendar/our fiscal year, we use both labels just to make it as easy as possible. Xavier?

XAVIER CALVEZ: I would want to have Leonid to come back to the mic for a second simply to make sure we understand correctly the challenge that

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he was pointing out, relative to the calendar versus fiscal. Certainly, the contribution is voluntary. Any CC will plan for and make this contribution at the time that it's convenient for them and that's the way it should be.

What happens then is that, depending upon that timing, the contribution will fall into a specific fiscal year for ICANN that may not necessarily be consistent with the calendar year to which the contribution pertains from the CC's perspective. So, if you make a contribution in September 2018 to ICANN, presumably for the CC, it will be a year 2018 expense and contribution and reported as such and maybe having been budgeted as such.

For ICANN, it is an FY19 contribution because it has received by ICANN in its FY19 year, which generally is [inaudible] problem at all to anyone, really, except that when we then report it, we may make it appear as an FY19 contribution, and some CCs in the past have then said, "Well, I did contribute for 18. Why are you not showing it?" It's usually because of this discrepancy between the calendars and the fiscal year of ICANN. We completely recognize that it is inconvenient and this is why we have tried in the report to report the contributions in the fiscal year that it pertains to for ICANN, also with the intent to ensure that we do reflect when a CC has made a contribution and therefore tried to avoid the challenge of the contribution appearing in a year that is not necessarily recognized by the CC.

There's not much we can do about that difference, and certainly we expect that you will make the contributions at any point in time that is convenient for your own planning, your own scheduling, your own finances and we will try to take into account the timing by which you make it to provide clarity in our reporting about it.

Really, there are three different periods that pertain to any given contribution. There is the fiscal year in which ICANN receives the contribution. There is the timing by which we bill it. And there is the fiscal year to which it pertains.

So, we have received contributions from some CCs [with] the intent to contribute which was expressed on the 15th of July. It was for the previous fiscal year. So, on the 15th of July we have billed a CC. The payment was received maybe six months later on the 15th of January of the following calendar year. It still pertained to the preceding fiscal year and the bill wasn't in a given calendar year and the payment was in a different year. There are three different period pertaining to the same single transaction. I know it doesn't make it easy. We have tried to capture that adequately in the sense of reflecting correctly the expectation of timing of the contribution by the CC but we will always have to deal with this issue as long as ICANN has a fiscal year that's not the calendar year. If you want to ask me why that's the case, I'm happy to have that conversation separately.

PATRICIO POBLETE: Hi. Patricio Poblete from NIC Chile. In our case, we don't have problems planning for this contribution because we know that every year we will be contributing according to our guidelines and we are still far away from the next steps, so [inaudible] for a few years.

What we do have problems sometimes is with the timing. In 2017 we received very early in the year, there was no problem at all processing the payment. In 2018, it arrived late in December and our procedures were getting [inaudible] to authorizations and processing aren't very fast, so it ended up being caught in the February shutdown of the administration for the summer in Chile.

So, for us it would be much better, the earlier, the better in the year, so we don't get caught in the summer recess. Other than that, we appreciate you not including the word "voluntary" in the invoice. We know it is, but that would complicate things more.

BECKY NASH: Thank you very much for your question. Just to note, we just list the word "contribution" in the invoice and email at this time. Then, we appreciate the feedback about the timing. As noted on the second box at the top here or the first box, we are initiating the emails in July. We understand that may be earlier than you're

looking for but at least it will then be before any kind of shutdown you're listing in your country for summer in February. Hopefully, that works. Thank you.

EBERHARD LISSE: Eberhard Lisse, dot-NA. Our exchange of letters with ICANN clearly states that we are not paying and that could be revisited and we have never been approached by ICANN. But that's besides the point. I'm really wondering why we are wasting 15 minutes on when to send invoices and how … My accountant doesn't give a damn. We get an invoice, we pay it as soon as it's paid or as soon as it appears in accounts receivable. That's what our accountant does and [inaudible] need to know whether it's on your website or on what. If I get an invoice, it gets into accounts receivable, it gets paid, then it gets closed in accounts receivable. I don't understand why we need to spend 15 minutes on this.

XAVIER CALVEZ: So let's not spend more time then explaining why.

[ALEJANDRA REYNOSO]:   Okay. So, thank you very much Becky and Xavier. I want to just ask really quick to the audience if there are any volunteers who would like to review the document that they've prepared before it's published. Katrina, [inaudible] voluntary. [inaudible]. Nick

and Fred. Done. Thank you very much. We have our team. Now we can go to coffee break.

Just in case you didn't hear me, we have a coffee break now and we need to return here by 10:30. Thank you.

[END OF TRANSCRIPTION]