
ICANN68 | Virtual Policy Forum – ccNSO: Strategic & Operational Planning Standing Committee
Thursday, June 25, 2020 – 15:00 to 16:00 MYT

GIOVANNI SEPPIA: That’s true. So, let’s start again. Welcome, everybody. Thanks to all of those who made it on time. I have an apology from Stephen, who spent the last 12 hours on different calls, and therefore, he needs some rest. So, thanks again.

I’ve circulated the agenda and we have some housekeeping rules that Kim is currently sharing. And also, they are explained in the charter. So, behave. That’s the message. You can read further in the notes and in the chart.

So, I have circulated an agenda and I’d like to ask, first of all, if there is any change in the agenda you would like to see? Nobody? Okay. We have 32 participants. Thanks, again.

You can raise your hand if you’d like to have any change or any point added to the agenda. We will have a discussion among ourselves first, and then the ICANN finance team will join afterward. So, any extra point you wish to see added to the agenda, this is the time to speak.

Okay. It doesn't seem to be the case. So, we’re moving to the second point of the agenda. Kim has already shown some housekeeping rules for today’s call, following ICANN Zoom regulations/rules. And afterward, let's speak about membership and the revised charter.

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.

So, the revised charter. We worked on the revised charter in the past couple of months. The revised charter was approved during the ccNSO Council meeting of yesterday. The revised charter, just to sum up. We had the duty to revise the charter every two years. The last review of the charter was in late 2017, and it was about time to revise the charter.

According to the revised charter, the main changes are about membership, starting from the next ICANN meeting, ICANN69, which is going to be virtual, the members will be requested to confirm their wish to continue their participation in the SOPC.

And, should there be any member who doesn't show up for three consecutive calls or meetings, the chair will, let's say, commit to reach out to this member to see if the member wants to re-engage in the work of the committee.

After this last chance given to the member, if there is no reaction by the member, or if the member doesn't show up in the following call or meeting, the chair will report this to the SOPC, and also will request the council to, eventually, terminate the membership.

This is the main, let's say, change that we have introduced in the charter. In terms of the membership, we have quite a good membership representation. Quite well distributed among the different geographical regions. I wonder if there is any feeling or any need to have a call for volunteers? Which is also a part of the revised charter, as it was in the previous charter, that depending on the need, the chair and

the current SOPC may request the council to have more members by a call for volunteers.

So, do you think there is any need to expand or membership, or we like the SOPC the way it is, or we welcome more members? Speak up, please. Raise your hand or via the chat, as the pod Q&A question, as Kim has shown in the rules for the call.

Anybody wishes to say anything about the membership? Shall we go for a call for volunteers to increase the membership? Don't be shy. I know it's late for you in the night, for somebody. It's early in the morning for some others. You're approaching the bedtime, some other [inaudible]. Okay. I have Irina, and then Roelof. Thank you, Irina.

IRINA DANELIA:

Hi. Good morning, everyone. Nice to see you all. I believe at the moment we have enough members and we have quite a good representation. So, I don't see any urgent call for additional volunteers. But if somebody approaches SOPC clearly stating that he would like to become a member, we should consider that, definitely.

GIOVANNI SEPPIA:

Thank you, Irina. Roelof?

ROELOF MEIJER:

Yeah. There was a [inaudible] I wanted to say. Good morning, everyone, or good day, I should say. I don't think that increasing the membership

will solve any issues that we have with participation, so I completely agree with Irina. If people volunteer and we think they can help, then that's good, but we shouldn't actively go and get more members. I don't think that will help us.

GIOVANNI SEPPIA:

Thank you, Roelof. Irina, is that a new hand or the old hand? Okay. I guess it was the old hand. Anybody else likes to say anything? So, I see some contributions in the chat. So, yes, from [Nick], if we find new volunteers, better. Okay.

Leonid goes scientific with a reference to the Parkinson Law, and there is going to be a tiny group to do the heavy lifting nonetheless. And then, we have Peter from CENTR. Thank you for complimenting the SOPC. Yes, indeed. Having a call for volunteers could balance a possible drop in the current membership.

Thanks to all those who contributed. Pablo, yes. Okay. So, I think there is an agreement that we are not going to have a formal call for volunteers, but if we happen to bump virtually into somebody who may like to become a member of the SOPC, we can invite this person to drop a line to us or to me, and we will make sure that the application for a new member is assessed and we move forward to have that person as a new member.

So, do you have any other point regarding membership? No. Okay. So, before we move to the session with ICANN finance, I want to have a summary of what we have done over the past couple of months. We had

this call with finance in the middle of the European pandemic on the 24th of March.

And yes, indeed, we had submitted quite some time ago our comment to the ICANN Operating and Financial Plan Fiscal Year 2021-2025. And today, as the Empowered Community didn't raise any petition to reject any of the approval decisions, there has been a communication back that the plan will start being effective as of the 1st of July this year.

We have also had some, over the past two months, thoughts and comments about the fact that, at some point, because of the pandemic, the ICANN Org decided to revise parts of the plan.

That was approved without any request for public comment. That was because it was quite a rush to do so. And again, there were different concerns, because some of us were not fully happy that nobody from the community was consulted. Again, that was a sort of emergency situation.

We have, also, on the 1st of June, submitted our short comment for the PTI Strategic Plan 2021-2024, saying that it's a sound plan and it's also good to see that the plan is well-structured.

And then, on the 9th of June, after some e-mail exchanges, we sent to ICANN Finance a list of comments that we made on the ICANN Operating and Financial Plan Fiscal Year 2021-2025 which we believe were not properly addressed in the report that ICANN staff prepared about the comments they received on the ICANN Operating and Financial Plan Fiscal Year 2021-2025.

And in this case, those comments were submitted to ICANN Finance, and ICANN Finance has accepted to be with us this morning, and respond to the comments, and also anticipate some of the things that are in the pipeline in terms of the operational and strategic planning.

Those were the ... Let's say this is a sort of overview/recap of what we have been doing as SOPC over the past three months, which have been quite special, considering what's going on around the world.

We are about to start the session in the next ten minutes with ICANN Finance. Is there anything else you think we should ask ICANN Finance? Again, they have committed to respond to the concerns we have addressed in our e-mail of the 9th of June about the lack of proper feedback.

Is there anything else that you wish to ask to ICANN Finance? Again, this is probably the right time to think about it, and we may ask those questions to Xavier and his team. Anybody? No? Okay. I don't know if ICANN Finance is already with us. Bart, Kim?

KIMBERLY CARLSON: Giovanni, we have one hand raised.

GIOVANNI SEPPIA: Sorry, I didn't see it. Okay. I don't know why.

KIMBERLY CARLSON: Jonathan Robinson.

GIOVANNI SEPPIA: Okay. Jonathan, please. Sorry, I did not see your hand up. Sorry.

JONATHAN ROBINSON: Hey. No problem, Giovanni. Good morning to you. Thanks for taking my question. I appreciate I'm not formally a member of the SOPC. Do you hear me okay? Could you just confirm your audio is good?

GIOVANNI SEPPIA: Yes.

JONATHAN ROBINSON: Thank you, Giovanni. One thing I thought of, in terms of the updated forecasts and so on, and meeting with ICANN Finance, it may be worth ... In the interim, we've seen quite some number of forecasts and outputs from domain name companies saying their businesses are performing well.

And I wonder if, even though the budget is crystalized, it might be worth asking ICANN Finance if they have had any further thoughts, or what is their latest view. Because they took an emergency view, with good reason, but things have evolved already in a very rapidly evolving circumstance. So, just that point: it may be worth asking if there is any further update. Thanks very much.

GIOVANNI SEPPIA: Thank you, Jonathan. A very good point. I also see in the chat that Peter of CENTR wanted to formulate a question. Still working on it, I guess. Is there anybody else who would like to ask or start your thoughts now before ICANN Finance starts with their presentation? Kim, please help me with the raised hands because I'm not seeing as I should.

KIMBERLY CARLSON: Yeah. No hands are raised at this time.

GIOVANNI SEPPIA: Thank you, Kim.

BART BOSWINKEL: Giovanni, Peter deferred to the question as raised by Jonathan. So, that is just one question.

GIOVANNI SEPPIA: Okay. Perfect. Thanks. So, Xavier and his team, if you are ready, we can welcome you to the SOPC meeting. Thanking you again, because you have been regularly participating and regularly providing feedback on everything that we have been doing and submitting. So, thanks in advance. I leave the floor to Xavier, Becky, and I don't know who else from Xavier's team is going to join. Thank you, Xavier, and thank you, Becky.

XAVIER CALVEZ: Thank you, Giovanni. Can you hear me well?

GIOVANNI SEPPIA: Yes.

XAVIER CALVEZ: Thank you. With me, there is Becky Nash and Shani Quidwai of my team. Thank you for the opportunity to participate and to invite us to your call/meeting. To the expense of time, we suggest to proceed with the topics that you have retained out of the list that we offered, those two being to address the comments in the request for further clarification of the comments that had been submitted by the ccNSO SOPC, and Becky will do that.

And then, go over the most recent financial information on the FY 2021 budget on the current situation in [on our pains for] further communication, which Shani will do. And that may help address, also, the question that was indirectly asked by Jonathan, if you want, that we try to tackle it.

GIOVANNI SEPPIA: Please. Thank you.

XAVIER CALVEZ: Thank you. With that, I'll ask Becky to start, please.

BECKY NASH:

Thank you. I hope everyone can hear me just [as I can]. So, good afternoon, good morning, and good evening to everyone. Thank you, again, for inviting us. So, if we could move to the next slide? I'm not sure if I'm driving, here, or if Kim ... Thank you.

Xavier provided a brief overview of how we plan to present, today. We are starting just with the high-level status of the FY 2021 planning cycle. And then, we jump right into the questions or comments that were e-mailed to us on the 9th of June. And then, we have a brief overview of financial slides, and then we talk a little bit about the FY 2022 planning process and next steps.

So, with that, if we could go to the next slide? As a brief overview of the status, we had a little bit of this presented in the introduction, where we had the FY 2021 through FY 2025 Operating Plan and Financial Plan, and the Fiscal Year 2021 Operating Plan and Budget published for public comment in December, 2019.

Those plans were developed based on the board-approved five-year strategic plan that had been approved earlier, in 2019. Since the time of publishing for public comment, as we all know, the global impact of the COVID-19 pandemic changed things significantly.

And ICANN Org expects that the planned activities and financial position for the remainder of FY 2020—which is the current fiscal year, ending at the end of this month, the 30th of June, 2020—and then, for FY 2021, will be impacted.

Uncertain times. We did need to incorporate a revision to what we had published for public comment. So, we developed a new set of financial projections and presented those to the board and the board committee for finance matters, and then to the community as part of an outreach and engagement in early May.

We do realize that there was not a formal public comment, just given the circumstances and the nature of the uncertainty of the pandemic. However, we did hold three webinars in order to engage significantly with the community.

And then, the plans were adopted by the board of ICANN in early May. And as we had just discussed, the Empowered Community period then ended, just based on the fact that there was no petition raised, and the letter of informing the termination of the Empowered Community process was received on the 6th of June.

And as a result of that, then, these plans will go into effect at the beginning of the next fiscal year, which will be the 1st of July, 2020, for what we call FY 2021.

We will present information later about the plans and the reporting cycle and engagement that we expect. But there will be updates presented frequently to the community and the public and a webinar is expected to be early-September timeframe.

If we could go to the next slide? Just as part of our discussion here, we wanted to first address directly some of the questions that were submitted. So, one of the comments that we received via the e-mail,

from you, Giovanni, was that including in one of the public comments was a request for a final, high-level report of the previous operating plan cycle, which would be the five-year operating plan still in effect through the end of this fiscal year. And then, have an overview of achievements, changes in the plans, and, above all, a “lessons learned” process.

As part of the public comment staff report, we did indicate that the ICANN Org understands the importance of a “lessons learned,” and as part of the FY 2022 planning cycle, the ICANN Org team will provide a “lessons learned” report on the previous five-year plan and a high-level view of achievements accomplished as part of that previous five-year strategic and operating plan cycle, which is FY 2016 through FY 2020.

We value a post mortem, or a “lessons learned,” and do want to engage with the community in groups such as this, just to receive feedback on the process and the contents of the plan. We believe in ongoing process improvement and feedback at all times.

We did want to highlight that progress toward achievement of the strategic plan and the operating plan cycle are included each year in the ICANN Annual Report. So, the ICANN Annual Report does provide a summary of activities that were achieved each year. And again, the annual report will be published this year in the early fall. So, that will be sometime in October.

And then the Accountabilities Indicators, which is also something that is important as part of a “lessons learned” and ongoing monitoring.

That is a measurement process that has been integrated into the CEO reporting process, and we'll have more information on that upcoming as part of the FY 2022 planning cycle. So, before going to the next point, I thought I would just stop and see if there are any specific questions or comments on this.

GIOVANNI SEPPIA:

Anybody likes to say ... Anybody, a member of the SOPC, or any other attendee, would like to say anything on this feedback we just received from finance? Can I just say, Becky, thanks a lot.

We understand that this sort of high-level report is somehow included in the annual report that ICANN is publishing, and also, we should refer to the Accountability Indicators. Maybe, for the community, it would be good to have a sort of readable one-page document that says, "That's what we have achieved," in a very straightforward way.

And I remember that ICANN has done something similar in the past. So, I think, for those who do not have the luxury to have so much time to go through a full report, just so you know, some bullet points is what we have achieved against the plan. That's my personal input.

BECKY NASH:

Thank you, Giovanni. I think that that sounds very reasonable. We plan, as we start the FY 2022 process and close out this last part of the five-year plan that we're under ... I think that sounds like a reasonable approach, and I would like to take that under consideration.

GIOVANNI SEPPIA: Thank you. So, if there is no other comment, please, Becky, move forward. Go ahead.

BECKY NASH: Thank you. So, the next slide has another comment that was sent to us. So, this particular comment ... Again, the e-mail that we received indicated that there wasn't enough information provided as a response in the staff report on public comments for both of the plans for this FY 2021 planning cycle.

So, the comment received here is that the SOPC comment on the operating initiative to promote and sustain a competitive environment in the domain name system seems not to have been addressed properly in the staff report.

The staff report mentions studies about the impact of the new gTLDs, but no answer was given to the other part of our comment. And in parentheses, indicating here that the SOPC submission says, "We fail to see the logic between the next application window/the new gTLD program and the evolution of the unique identifier systems/competitive environment."

So, when we reviewed this comment, there are, in the operating plan and budget, several targeted outcomes and actions listed under this operating initiative. And of course, this operating initiative is led by

teams in GDD and others. We wanted to make sure that we understood clearly about failing to see the logic.

The report did indicate that, as part of the targeted outcome for this operating initiative, ICANN expects that, with the expansion of the DNS, through new rounds of new gTLD delegation ... So, we'll continue to be investment and innovation via market developments and new registry services.

The report also does include other types of activities, like Universal Acceptance, and that was included in the actual staff report. So, we wanted to make sure that we understood and, if needed, we could take this information back to the SME and get more clarification as to what specifically is meant by "failing to see the logic."

GIOVANNI SEPPIA:

Thank you, Becky. I believe those who have provided this input/feedback are attending the call. So, can we try to formulate it differently? Okay. Yeah. I see Russell and Atsushi. Russell, please. Russell? I see your hand up. Is that an old hand which I didn't see before, or is it a hand relating to this slide, number five of ICANN Finance? Okay. We move to Atsushi while Russell is thinking about it. Atsushi.

BART BOSWINKEL:

Russell, you have to unmute.

ATSUSHI ENDO:

Hi. So, the point that ... I thank very much, Becky, for this [inaudible] comment. That particular point was [inaudible] I did comment with the team. And so, I understand that the creation of ICANN itself in 1998 is the ... One of the core missions is expanding the TLDs, and apparently the new gTLD program is aligned with that.

I fully understand that, but we need to reconsider that to increase the gTLDs leads to the competitive [retirement]. I don't see that. There are lots of TLDs introduced but they are a very limited provider running the TLDs.

So, it is competitive, really? Or [inaudible] we need to discuss as a community. That's a point. So, thank you very much for taking this to the organization, proper department or division. So, that's the comment. Thank you very much.

GIOVANNI SEPPIA:

Thank you, Atsushi. Any immediate reaction from Becky, or shall we try to have Russell? Russell has to be unmuted. Russell, unmute yourself or drop your hand. Okay. We have lost Russell.

In the meanwhile, I have received a question in the chat. It shouldn't be like that, it should be in the Q&A pod. The question is about if we can be provided an example of new registry services.

So, I don't know if Becky, or Xavier, or Shani want to answer this. So, in your feedback to the comment received by the SOPC at the end, we read there will continued investment and innovation by market

developments and new registry services. There is a request to clarify new registry services.

XAVIER CALVEZ: Giovanni, if I may take that?

GIOVANNI SEPPIA: please.

XAVIER CALVEZ: I think that it's for the registries to indicate what type of services they think they can provide that are new in the context of a new gTLD program, because the registries are great participants to having designed the new gTLD program and have created the purpose for it.

So, I would presume that these registries have ideas about what new services they expected to be able to provide. But to take an example, "back-end registry operator" is a new service that some of the TLDs that are represented on this market, on this call, are providing in a new fashion since the new gTLD program was created, because there are now more TLDs who have the need for ICANN registry operations, for example.

That's a new service. There are, obviously, other services that are, probably, very well-known by registry operators, including, possibly, some of the ccTLD represented here, that are much better known than we can.

So, I think the question is probably best answered by those registry operators that are on the call than by us. But I think that I mentioned a couple. There is also the privacy proxy accreditation.

That is a new service that has been developed by community policy and that has been approved for implementation, though has been held because of the GDPR-related impacts on that type of service, for example. I'll stop here, but I'm sure that others have more examples to provide to answer the question from Russell.

GIOVANNI SEPPIA:

Thank you, Xavier. So, any other question on slide number five? Any other point? If not, Becky, please go ahead with the next slide.

BECKY NASH:

Thank you very much. So, if we move to the next slide? One of the points raised, again, in the e-mail to us was regarding the response in the public comment report as it relates to the language used to describe the operating initiatives, indicating that it remains challenging even for native speakers of English language, and even more so for non-English-speaking participants.

There is an example cited here of, “Evolve and strengthen the ICANN community decision-making processes to ensure efficient and effective policy-making.”

So, we absolutely wanted to highlight that we hear this suggestion and, at all times, ICANN Org intends to make all of the content understandable for all readers, for all of the documents.

I believe in the staff report we also just highlighted the various ways we tried to overcome making sure that language services and other communication aspects are available for participants in many languages, and that there are, also, translations of documents.

But I think, here, the point is more that the language is very technical, and I think that we can just take that as a comment to make things explained better, and/or provide a good check on the language and the way to articulate or explain something.

The e-mail did note that, as reading the report, there was more information on what it meant. We tried to define it. And so, we did have an attempt to address this concern for the public to define exactly what was meant as the components of this operating initiative.

Just along those same lines, there were some additional comments in the report that was submitted, meaning the public comments submitted by the SOPC, just related, again ... The similar theme about participation, and the complexity of the planning process makes meaningful contributions from the community difficult, perhaps even impossible, and limited in scope.

So, we really wanted to highlight that we have an objective to really evaluate how to make the planning processes more accessible to the community and ensure wider participation. So, we'd love to hear some

feedback, again, from the SOPC members and/or attendees on this intent to make things more accessible.

GIOVANNI SEPPIA: Thanks a lot. Thanks, Becky. Xavier.

XAVIER CALVEZ: In other words, when we say “complexity,” which we’re absolutely not disputing, it would be helpful to understand what is perceived more complex so that we can try to tackle those aspects with complements of information that are, maybe more simply presented or less data, etc.

I think that we’re definitely hearing the comment that, in order to address it, some specificity as to the challenges would help us identify specificity as to the actions that are possible for us to carry out to help.

GIOVANNI SEPPIA: Thank you, Xavier. I think this has been a recurring comment from the SOPC over the past ten years. I don't think it's only a matter of the language, or at least the language component. It's about 50% of the issue because the language varies from being quite simple to a bit more structured and challenging for non-English speakers, but also for English speakers.

And I think the objective that all ICANN Org should have very crystal clear is that the reason why there is a publication on this Strategic, Operating, and Financial Plan is to receive comments. And if the whole

presentation, the package, is, again, not easy to grab from a member of the community, that is already something ICANN should think about, and think about what we could do differently to help our community members to react to the plan and contribute.

We moved from plans that were, really, a few pages, to plans that are now much above hundreds of pages. And that's the first challenge, because it requires, again, the luxury of time, which we may have had during the past month because there was no travel, and so we were a bit more available.

But at the same time, when you do business as usual, it's incredibly challenging to find the time to read everything, and eventually re-read those sections that are not so accessible. I think we discussed this, again, over the past decade.

We understand that ICANN Finance is merging text and input from different departments. I believe there has been an editorial process at some point. Again, it's really just to find ways to make it more accessible and digestible because, sometimes, it's not a matter of reading once, but it's also reading twice that is needed.

So, this is my initial feedback. It could be to have a summary version for those who like to just have a first overview. It could be to have some infographics at some point. It could be there are different ways. You're doing these webinars, which are quite useful.

And again, that is already a good point, a good action, to make the entire strategic and operating planning process more accessible, but I

think there could be other ways. It could be webinars with a sort of narration/animation, again. I cannot read, also, the translation aspect to other languages that sometimes might be not satisfactory. And so, people need to go back to the English original version.

I think that we are all, as SOPC, ready and happy to be a sort of test-bed. So, if you like to, at some point in the future— I'm just throwing this idea—share a first draft of ten pages with us, so not the whole monumental structure/plan, but just ten pages, and say, “What would you do to improve the accessibility of those ten pages?”

That could be another way to reach out to the community and put the community to the task, to say, “This is what we have drafted. It’s a draft. Help us make it more accessible and, therefore, more easy to comment on.” I see Bart has his hand up. Bart.

BART BOSWINKEL:

Thank you. Hi, Giovanni. Hi, Becky. Hi, Shani. So, the ccNSO has been rather successful in explaining PDPs to other groups – specific PDPs. And, doing this before you send out a call for comments or before you send out a call for volunteers, maybe that’s something to think about.

Normally, we do the webinars after we have published anything. But during a prep or explanatory webinar before you publish a document and explaining, “This is what you can expect,” might help in reducing the barriers, or lowering the barriers, and run through the document.

Because, at one point, you can't simplify it and make it more accessible—I mean the document itself—but you'd have to use other tools. It was just a suggestion based on the experience of the ccNSO environment. Thanks.

GIOVANNI SEPPIA:

And we have, also, a [master] on disputed leadership and explaining IDNs, which is really not an area that is accessible to all the [world's] people. So again, it could be a nice way to test this community. Xavier, Becky, or if there is anybody in the SOPC who likes to say something to complement what I just said? If not, Xavier, Becky, please. I leave the floor back to you.

XAVIER CALVEZ:

Just to conclude on the topic, because I think that this is a very important and long topic to discuss, I think that it's absolutely clear to us that the planning process, generally speaking, and the documents produced in it, is complicated.

It is long. It is extensive. The information produced is sometimes technical – broad, because it encompasses everything that ICANN does. It is technical. It is in a language that is foreign to many.

And just even knowing what the process is takes, already, effort and experience. And that creates as many barriers to being able to participate to the process, and even more so to be able to comment.

So, your points are completely relevant, and clear, and real, in our challenges that are for us to take on all the time, and with various different mechanisms. The comment or the suggestion that you made earlier, Giovanni, about, for example, the summary document is something that we received a few years ago. That has been, now, three years.

We provide a highlight document. This year, that document is about 16 or 17 pages, with a lot of graphs, and tries to summarize the more extensive document of 300 pages. So, that's an example, but there is more that should be done, that can be done, and that we can try to do.

I also want everyone to understand that any new methodology, approach, or solution is, obviously, something that needs to be designed, organized, thought, tested, produced. And for us, the planning process is a [15-month per year] exercise, and with a limited amount of resources.

So, we tried to take on a few new things every year to do, to try to do better. Definitely, lowering the bar to access to this information and to participation in this process is, generally, an objective. Your feedback is very much in the sense of that objective and that challenge, and it's a good, constant reminder for us to put constant effort into that.

I think it's a never-ending exercise. I think we will never achieve a perfect situation of production of information and understandability by everyone, but I think we need to continue at it all the time. So, thank

you for that feedback, and we'll continue to take it into account and to try to find new ways with your held.

GIOVANNI SEPPIA:

Thanks a lot, Xavier. Again, we are available to be “used” as a sort of test-bed for the language of any future plan. So, if you'd like to try it first with us, a very first draft, we'll be happy to support.

And again, if there is anything else we can do to support ICANN Org and the finance team for the work that you have been doing to this respect, just let us know and, as in the past, as ever, we will be happy to help you. I give the floor back to Becky for the next slide. Thank you, Becky.

BECKY NASH:

Thank you, Giovanni. Yes. Thank you very much for the feedback. So, if we could go to the next slide? One of the other points listed in the e-mail was just to inform the SOPC if and how the recent budget final, or adopted budget, affects the projects and initiatives that are relevant to the ccTLD community.

And then, there was a question regarding an analysis of spend by SO and AC, which includes expenses used to support the work of the ccNSO.

Based on the FY 2021 Adopted Operating Plan and Budget, the planned work for the support for the ccNSO and policy development remains unchanged in the budget. There was nothing that was revised in that particular area.

In addition, we highlighted that the plan also included funding for travel for three face-to-face meetings. However, as of most recent, we know that a board decision was taken to have the ICANN69 meeting as a virtual meeting.

And although the revised plan, or the adopted plan, has traveled for three face-to-face meetings, we did expect it to be phased in and lower, meaning less in the first half of the year and more participants in the latter half of the year. But all of that is still unknown and uncertain, as we all know right now, still, given the pandemic.

And then, in the plan, we have ABRs are supported, as well. We did not see any that were submitted by the ccNSO. But what we wanted to highlight here, that although we expect an impact due to the uncertain times, ICANN will still complete core work.

And that was part of the presentation that we provided as it related to the operating initiatives as part of the five-year plan, that we were just delaying some of the start of the operating initiatives. But there is still a lot of work to do and many elements of the adopted plans maintain the same level of spend.

Just to address the one question that was also submitted about the spend by SO and AC, that is an important analysis that is being worked on, and we intend on sharing a draft to discuss with the community, discuss with this group, to seek input.

It's important that we share our analysis as a draft so that we can receive more input on whether or not that analysis is meeting the

expectations of the type of information that the SOs and ACs would like to see. I'll just pause to see if there are any more comments.

GIOVANNI SEPPIA:

Thanks a lot, Becky. Any comment relating to the feedback we just received from ICANN? I don't see any hand up. I don't know if Xavier or Becky planned to address the question that was made before you joined about the way ICANN has reacted to the emergency and the fact that, now, the situation has evolved in a different way, or at least for the DNS projections. They seem to be different projections. You said at the beginning that you are going to address this question. If you'd like to do it now or later, just let me know.

XAVIER CALVEZ:

Giovanni, thank you. We have a few other slides to cover a bit more than simply that question. That question can be addressed then. But I don't know how much time we have left, because I think we're much over the timeframe that you had originally allocated for our presentation.

GIOVANNI SEPPIA:

Yeah, indeed. But we had a very good, constructive exchange, so I think we are all happy about that. We may go ten minutes over time, if that's possible. I'm just asking that to Kim and Bart; can we go ten minutes over time? It's a question. Kim, Bart, can we go ten minutes over time?

KIMBERLY CARLSON: Yeah, as long as it's not more than ten minutes, it's fine.

GIOVANNI SEPPIA: Okay. So, I would say that, Xavier and Becky, if you wrap up in the next eight to ten minutes, maximum?

XAVIER CALVEZ: Thank you. Maybe, Shani, you can go over the slides on the forecast, please?

SHANI QUIDWAI: Thank you.

BECKY NASH: So, that would be slide 11, if you can advance to that. And then, Shani can present those slides.

GIOVANNI SEPPIA: And I guess, as usual, we will be given those slides. We will use the set of slides.

BECK NASH: Yes. And just to introduce, Shani, we also have a webinar with a full deck and a recording that's posted on the ICANN meeting's website.

GIOVANNI SEPPIA: Thank you. Shani, please.

SHANI QUIDWAI: Thank you, Becky, and thank you, Giovanni and team, for having us. On this slide here, we have an overview of the FY 2021 budget that was recently adopted. And as we have mentioned during this call, a lot of the assumptions that went into this plan were made during the start of the global pandemic, and at that time, there was a lot of uncertainty. There still remains some uncertainty, but somewhat less.

The funding that we have here is 129 million, and that is a slight decline from where we project to end this current fiscal year. The lower funding was projected based on our projections that there could be lower transactions related to domain registrations, along with a decline in the contracted party count.

We have, so far, seen better than expected numbers on those statistics. However, the fiscal year for FY 2021 has not started and there still remains uncertainty within the economy and the overall impact to ICANN.

So, we do plan to continually update these outlooks and projections, and the next time we plan to provide a forecast on how things are trending and how it would impact ICANN would be in the September timeframe.

One key item to note here regarding the revised budget was that it still was balanced. Our expenses were 129 million, aligned with the funding.

The way that we were able to balance the expenses, despite having the lower funding, was primarily due to two key adjustments.

As Becky mentioned, we did make some adjustments to the travel and meetings budget. We plan for three face-to-face ICANN meetings. However, we assume that there would be very little to no travel from the July through September timeframe, and then slower travel throughout the remainder of the year, aside from ICANN meetings.

Another key item that was adjusted was the planned reserve fund contribution. Our reserve fund strategy calls for the organization to make annual contributions to the reserve fund. We did remove that from the budget. However, that will still be evaluated.

As we've all mentioned, some of the projections are changing, and how the fiscal year plays out is yet to be determined. So, once the fiscal year ends, if the organization were to have access, that would be evaluated. Replenishing the reserve fund is still a key strategy, and would likely be one of the first priorities if there was an excess.

And then, I would say the last key item to point out here is that, as Becky mentioned, we did make some changes to align the budget, but there was very little to no impact to this specific group or any of the other groups within the community as it relates to the director and direct support from the budget or that the organization is offering. Really, the key adjustments that were made centered around travel that was not ICANN meeting-related and the reserve fund contribution.

If we move to the next slide, we have a comparison of this budget against our fiscal year 2020 forecast. As a reminder, our fiscal year starts on July 1st and ends June 30th. So, this second figure of financials, this fiscal year is ending in the next week or so.

As mentioned, we projected a 6% lower decline, and the initial signs that we have seen this fiscal year are slightly better. However, there still remains some unknowns as to how this will impact next year.

From a personnel standpoint, we project 5% higher costs next year, and that is primarily due to a minor increase of headcount of 1%, and then primarily due to inflationary increases within the existing staff.

Travel and meetings are projected to rise as compared to this year, and that was due to the fact that, in this fiscal year, we only had one face-to-face ICANN meeting, and next year we were planning for three.

So, already, we do have one key variance with this budget next year that would be updated in the forecast that we share later, that there will be a virtual ICANN69.

Aside from those two key points, there is very little change I would note within some of the other items, here. With that, I think we have a couple more minutes to answer any questions around the forecast for this budget.

GIOVANNI SEPPIA:

Xavier.

XAVIER CALVEZ:

Thank you, Giovanni. Just to complement what Shani has indicated, it's important for everyone to understand that when we forecasted the funding for this revised budget, the 129 million, that was at the end of March, which was the beginning of the visibility on the pandemic and, of course, with zero understanding as to what the future would bear.

Everyone should understand that, when we try to forecast funding, we are not trying to be accurate. We're trying to be conservative. So, if you would ask me, do I think that the funding is going to be 129 million?

I would expect, probably, something a bit higher than that. But how we project funding is not just a matter of coming up with the most accurate number. It's also a matter of how we manage expenses.

And we want to set our funding to a conservative number because we want to manage our expenses to that number and not to a number that we have a high or even medium chance to miss.

And therefore, we could [plan] for a higher funding, therefore overspend, and that's not the situation we want to be in. Over the past few years, we have had above the funding that we're expecting and we have spent always a bit less money than we were planning to, which is exactly the situation we will always want to be in.

So, when we project funding, we do try to project the most accurately what we think the domain name registrations are going to be, and then we try to take a slightly more conservative view to that.

At this stage, as Shani said, the domain name registration—which, of course, is not the proprietary information, all of you know what they are—they are relatively steadily increasing. Not necessarily a lot, but increasing, nonetheless, and about as consistently as we expected for the original budget of FY 2020.

So, our forecast for FY 2020 and for FY 2021, that has been showing a reduction versus the original budget is, is proving to be wrong by the fact that there is not that reduction at this stage.

What we, of course, don't know is what will be the economy in three/six months from now. And therefore, we maintain a relatively conservative view into FY 2021, and we will probably revisit this position as we go through FY 2021 on a quarter-by-quarter basis, where we have more visibility into domain name registration on one hand, as well as on our expenses on the other hand.

At this stage, we believe that our forecast and our budget is on the conservative side of the “best guess.” We think that the funding we’re planning for is probably a bit below than what it will be, effectively. We manage our expenses to that number, which increases our chances to not overspend versus funding. I hope that helps answer, also, Jonathan’s question, and everyone else’s. Thank you.

GIOVANNI SEPPIA:

Thank you, Xavier. We really have a few minutes. I see Russell’s hand up. Russell?

RUSSELL HAWORTH: Yes, thank you. I just wanted to ... Away from the funding side, but just realistically in the lower, more conservative environment where you're looking at lower funding.

When we, then, skip to the professional services line, despite the fact that there's a reduction of 1.8 million, it does seem like an awful lot of money to spend on professional services. So, I was just curious to understand whether that line would reduce even further, given the fact that every organization is probably taking quite a close look at—

GIOVANNI SEPPIA: Thank you, Russell. Xavier, very briefly.

XAVIER CALVEZ: So, a good illustration of an expected reduction versus this number, Russell, is that, for example, ICANN meetings consume a lot of professional services; all the interpreters, all the AV guys. All the temporary resources that we use for ICANN meetings are in that bucket of costs, for example.

So, we're not going to have an ICANN69 face-to-face, so there are going to be a certain amount of reductions occurring there. There are many professional service costs that are simply "fixed."

For example, we have in that bucket all the data escrow fees that we pay that are completely “unrelated” to the activity of ICANN other than simply the domain name information that is kept in escrow.

This is not discretionary spending, if you see what I'm saying – “discretionary spending.” This is supporting operations that we have. The work of ICANN is actually increasing in this timeframe, and not decreasing.

So, we consider that trying to reduce, to the extent that we have, about every line of this budget, it obviously trying to reflect the intent to reduce and make cost savings.

I just want to emphasize that the professional services line these up, so they're not discretionary spending at all. It supports the ongoing operations of the organization or the services that it needs to support and provide.

And we expect, for example, that FY 2020 will be a little lower than that. It is very possible, dependent upon the progress, for example, of policy development work and reviews, that our professional services spend in FY 2021 is also lower than the 70 million we are seeing here.

I just want, also, to emphasize that this is also including, about 15% of it, legal services, and this is very dependent on whatever legal defense ICANN is subject to, whatever loss ICANN is subject to, or IRPs. And this is very unpredictable, so this is also a factor of fluctuation, there. I'll stop here.

GIOVANNI SEPPIA: Okay. Thank you, Xavier. Yes. We really have a few minutes left. I believe there is one last slide.

BECKY NASH: Yes, we have just a quick update on preparing for the FY 2022 planning. So, we're highlighting that, during FY 2021, it will be a year where we will be monitoring closely the impact of the global pandemic.

We mention, also, the lessons learned from the FY 2021 plan development process as something that we'll be working on as we start the FY 2022 process. And work to be prioritized: operating initiatives that are described in the five-year operating and financial plan.

And "other work" includes things like implementation work, adopted policies, review recommendations, advice, Work Stream 2, and then, in addition, the ongoing policy development community work.

So, there is a lot of work, as we have indicated, that the ICANN community, board, and Org have to accomplish and plan for as we start this process in FY 2021.

So, the operating initiative that we want to highlight in the five-year plan is the planning operating initiative that provides a framework to improve the overall ICANN planning process in collaboration and prioritization across the entire community.

So, if we go to the next slide, we're just highlighting that we are launching the operating initiative planning at ICANN during the planning cycle for FY 2022, which happens during FY 2021.

This involves updates on a rolling basis to the five-year plans – the five-year strategic plan/operating and financial plan. The Strategic Outlook Trends Identification is input into the strategic planning process. And collaborating to prioritize ICANN community and Org work is a key objective driving the design of the FY 2022 planning process.

So, the next step as it relates to FY 2022 is that ICANN Org is to propose an FY 2022 planning process during the month of August, and we actually anticipate having webinars, most likely early September. And that will coincide, also, with the timing when we anticipate having updates on the forecast, as well, as we go into FY 2021.

But there is much work to accomplish, and we will be rolling out the design and timeline over these next couple of months. And that concludes the update that we had to provide today. We really appreciate having this opportunity, and the feedback has been very valuable. I'll just pause to see if there are any more comments or questions.

GIOVANNI SEPPIA:

Thanks a lot, Becky. Any very quick and final last comments or questions? One, two, three. Okay. That's not so democratic, but it's a matter of time. So, if not, thanks a lot to Xavier, Becky, and Shani for being on the call with us, today. Really, really appreciated.

I know it's not easy to cope with so many virtual meetings, especially in strange times of the day. So, thank you so much. Again, we reiterate our willingness to help you, especially for the language of the coming plans.

And we will, of course, be happy to attend the upcoming webinars, and also look after the planning process or, at least, to look into what we can do to support the FY 2022 planning process. So, thanks a lot to the finance team.

Again, we have a last point in the agenda, which is working methods – planning the work ahead and the next meeting calls. We are quite in a rush. For working methods, I think there has been an agreement about the way we are working.

There has been some sort of feedback from some of the sub-working groups who have produced the comments to the Fiscal Year 2021-2025 Operating and Financial Plan to improve the work within their teams. We'll try to work on this in the coming months.

And I would suggest, in terms of planning, that we schedule a call at some point in early September/mid-September to have a sort of catch-up session about what's next, and also in preparation of the ICANN69 in Hamburg. If we are all okay with that, I'm trying to be ten minutes overtime, maximum.

Is there any other business you wish to have discussed in a very short and quick way? I don't see any hand up. Okay. If not, it's time for me to draw this virtual meeting to a close, thanking, again, all the ICANN staff team, Bart, [inaudible], all those who have contributed to make this

possible behind the scenes. And thanks a lot to Xavier, Becky, and Shani, and thanks to all the attendees, members, and non-members.

We had an impressive, at some point, attendance of 64 attendees. I think that was breaking a record of attendance for an SOPC meeting. So, thank you, everybody. Let's try to enjoy some summertime at some point, wherever we are, in a safe mode. So, thank you so much. The meeting is closed.

[END OF TRANSCRIPTION]