ICANN81 | AGM – ccNSO: Strategic and Operational Planning Standing Committee
Saturday, November 9, 2024 – 13:15 to 14:30 TRT

CLAUDIA RUIZ: Hello, and welcome to the ccNSO Strategy and Operational Planning Standing Committee. My name is Claudia Ruiz, and I am the participation manager for this session. Please note that this session is being recorded and is governed by the ICANN Expected Standards of Behavior and the ICANN Community Anti-Harassment Policy. During this session, questions or comments will only be read aloud if submitted within the Q&A pod. If you would like to speak during this session, please raise your hand in Zoom. When called upon, virtual participants will be given permission to unmute in Zoom. On-site participants will use physical microphones to speak. Please state your name for the record and speak at a reasonable pace. Thank you, and with that, I will now hand the floor over to Andreas Musielak, chair of the SOPC. Thank you.

ANDREAS MUSIELAK: Hello everyone, a warm welcome from Istanbul. Also to our remote participants. We have a full agenda for today. We planned 75 minutes. If you go through the single agenda, it will be more than 75 minutes, but Irina promised me to squeeze some of the points. Okay, we're starting a little bit with the welcome. We're already in the welcome part. Then I hand over to Irina to see how we did our work the last time, and probably it's a good base for the future approach. And then we have with us ICANN Planning, who will share a little bit the financial figures. And then, who is from PTI here? I don't know. Who will present? Ah, here we go. Okay, good. So, we also get an overview from PTI. Then we also have responses to the question from the ICANN Board. I think this should be a very active dialogue, what we should give as our feedback from the SOPC. So, Irina and I prepared some points, but I think every input is much appreciated. So, then we have also the schedule for the next period, and the term ends of Irina and me. So, we will also do a short pre-election and ask if there are volunteers. This will be by Bart. And last but not least, the wrap-up. So, you know, we are just ahead of the new operating plan and budget for the upcoming year. So, this will start in December. And with this, I hand over to Irina.

IRINA DANELIA: Thank you, Andreas. And very nice to see everyone here. Thank you for coming. And hello also to those who are following us in Zoom, probably. So, as you might be aware, ahead of this meeting, there was a prep week, as usually. And during this week, there were two sessions relevant for SOPC. One was about the financials for 2023, 2024, and 2025. And if you did not attend, I encourage you to listen to the recording. But my understanding is that Shani will give us some short summary from that session.

The second session was about the results of public comments on the ICANN strategic plan for the next five years, 2026 to 2030. And as you definitely remember, SOPC provided its submission. And though the final report on the public comment is not available yet, it is scheduled somewhere late in the end of November, but I can share the general overview of the public comment, and also confirm that they are being considered very carefully. And my understanding is that at the moment, ICANN Board and its committee responsible for the strategic plan, and together with ICANN Org, are discussing these public comments and looking for if there are any need for adjustment in the document we have seen. So we are definitely looking for the report on this public comment and for the outcome, and hopefully that our position will matter as well. With that, may I have the next slide?

So now talking about how we as SOPC did our job in recent two exercises. When we were—this is just to remind you, because then we will have to decide how we are going to do our further job, because we have a lot of work to do ahead. So when we were working on the public comments on the FY25 operating plan and budget, which included both ICANN plan and budget and PTI plan and budget, we agreed to group—to arrange three baskets. Each of them included operating initiatives and related functional activities and related open issues. And when I say open issues, these are the questions from the previous earlier SOPC submissions, which we consider not be fully taken into account or fully responded.

So I have three such baskets. We had three teams. We had team leads, small team chair, and vice chair. And each group was supposed to arrange its work as they found it more convenient. And different groups used different methods, by the way. And we also had some pre-designed questions, which were to assist each team to compile their submissions. Then we consolidated all these comments in one doc. We used Google Doc to consolidate the submissions and track changes.

And then we had one teleconference for the whole committee to review the draft—these draft submissions, the text of the draft submission. Can we go to the next slide, please? And this is just the example of these three baskets. I am sure they are familiar for you because you probably remember how it was last year. And next slide, please.

And for the strategic plan public comment period, the approach was quite similar. We also had three teams, and we split the work by strategic objective. In this case, we had pre-defined questions from ICANN, which they included in their public comment template to answer. And we also used the Google Doc documents. But what was a little bit different, we suggested that each team, after they review their part, runs a webinar to present their findings to the entire committee. So we had three webinars led by each team. And then we consolidated the comments and suggested the document for your review. And we agreed that we may have teleconference to discuss objections, if there are any. But since we had any strong objection to the final document, the teleconference was canceled. And that was the way we did. So with that in mind, I don't know, shall we discuss it right now, or shall we do it in the end? When we look at our next activities. Yeah. Well, with that, I'm actually done, and we can move to the next topic of our agenda. Starting to look a little bit in the future.

ANDREAS MUSIELAK: Yeah. So we hand over to you from ICANN planning, Shani.

SHANI QUIDWAI: Thank you. While we pull these up, I'll just mention the few items that I'm going to cover here and happy to take any questions or comments. First, I would do an overview of the financials for fiscal 2024. ICANN's fiscal year ended on the 30th of June. Then a brief overview of the forecast for the current fiscal year, and then an overview of the fee increase. ICANN has recently announced a fee increase for the fees that we charge the contracted parties for the domain name registrations as well as the fees related to TLDs and registrar accreditations. If we could move one page.

Here we just wanted to call attention to some of the publications that we post on ICANN.org. If you want to see more about our financials, you can find at this link below a lot of these reports. Every quarter we do post financials, highlighting the year-to-date financials and their comparison against the prior year and the budget. Aside from that, there's a variety of publications that we have on an annual basis, including the audited financial statements, which recently posted the tax return. That is posted more in the March to April time frame. And some of the other ones here, the operating plan and budget, which I think you're fairly familiar with.

If we move forward. Here is an overview of the financials for fiscal year 2024. Apologies, it looks pretty hard to see on this slide. But just an overview of what this is, is in the various columns here we break down the segments and essentially how we report our financials. Starting at the top, these are the funds that we have available. And so we started the year with roughly $520 million. The operations is where all of our core day-to-day kind of costs and activities occur. Next we have the new gTLD program. This includes the costs to process the remaining applications from the 2012 round, as well as the costs that we are currently incurring to implement the next round.

And then we have the SFICR projects. That stands for the Supplemental Fund for Implementation of Community Recommendations. This was a fund that we developed a few years ago. During the pandemic, primarily, there was a lot of excess where we had more funding than our expenses. And so those funds were set aside for implementation of community recommendations. And in this year, we used those funds to do prioritized review implementation work, as well as the RDRS, Registration Data Request Service.

Next we have the grant program. These are the funds from the auction proceeds that resulted from the 2012 new gTLD program. This is being used to implement the grant program. And then lastly, we have the reserve fund.

I won't go through all the numbers here, but looking at operations, you can see we have roughly $5 million more costs than funding for the year. There was a deficit. This was the first time where ICANN's costs exceeded our funding. And so we have begun taking actions to balance the budget. In May, there was an elimination of positions at ICANN, and there has been other actions taken. You'll see some more details on that when we look at the forecast.

And then as noted here, the new gTLD program, there is a lot of work going on there, and the costs have started to increase as we're getting closer to the opening of that program.

On the bottom, you can see here the investment gains associated with all of these funds and then the ending balance. So we ended the year with $518 million, which is very similar to where we started.

If there's no questions, I'll move to the next page. This will be a little easier to see. This is just a comparison of all the funds. The light blue bar is where we started the year, and the dark blue bar is where we ended the year.

The operating fund had a decrease, and this was primarily due to the fact that we transferred funds into the SFICR, and those have been used partially on the next round as well as also on the RDRS and the review implementation. Aside from that, you can see some investment gains, specifically the reserve fund started the year with $170 million and ended with $183 million. There was no withdrawals or usage of the reserve fund. This was purely gains that we saw.

And then similarly on the auction proceeds, there were costs incurred for the grant program, but that was much more than offset by the gains on the investments.

I'll move to the next page.

This is just a little bit more detail on the operations, and as noted, we have a deficit, you can see here, of $5 million for the current year. The budget was planned to be balanced. However, we did have higher costs than what we had projected. There were higher staffing levels and higher travel-related costs and just overall work on some of the new initiatives and programs that led to that deficit. And then you can see all the way off to the right how those costs compare to the prior fiscal year.

So this concludes the update on the past fiscal year. If there's no questions, I'll move to the current year and give a brief overview of the forecast.

If you could move a page or two. One more.

So for the current fiscal year, we are still projecting a deficit. We are very early in the fiscal year, so there is a range projected here. And then when we look at the numbers, more ranges, just given that we're very early into the fiscal year. We don't have a lot of certainty on things such as funding. And so within the funding specifically, there's a range, and then some of the cost assumptions. We'll go through more details.

This forecast does align with the board resolution that acknowledged that we could have a deficit this year, but that ICANN would take the actions to balance the budget no later than the end of this fiscal year. And so that is well underway. We're roughly 60% to 70% done with achieving actions that will balance the budget for future years.

If you move to the next page, here's a little bit more detail. Specifically starting off with funding, you can see the range here. Ultimately, we project either flat or slightly down funding. We have started to see slower growth than we have typically seen. There has been a decline in the number of registrations for some of the legacy TLDs, specifically .com. This has been partially offset by growth from some of the new gTLDs. However, that space tends to be a little bit more volatile, and so we've projected this range here just acknowledging that we don't have full visibility into what the funding will be.

Some of the other items here, you can see those ranges. I would just call out on the contingency. This is slightly higher than what we've had before. This is a placeholder or assumption that we have in our budget to account for unknown or unplanned costs. Given that we plan far in advance, we always want to set aside something to give the organization flexibility if there's new work or unplanned work that we didn't see. We've slightly increased that to $7.5 million this year to give more flexibility.

Then overall, on the bottom, you can see the projected deficit of as low as $2 million and as high as $7 million. This concludes the forecast update. We're roughly three to four months into the fiscal year, and so through all the reporting and engagement that we do throughout the year, we'll continue to update and give more information on this as we learn some of the more critical items.

If there's no questions, I'll move to my last section, which is the fee increase.

So roughly a week ago, ICANN announced on our website and posted information about a fee increase. The key to acknowledge with the fee increase is that this is not being viewed or this is not a lever to help close the deficit that we currently are in. ICANN is taking actions to reduce costs and balance the budget. We view the fee increase as a mechanism to improve the financial sustainability.

ICANN has never increased fees in the history of ICANN, and so this is the first time. And so within the contracts we're essentially pursuing an increase of inflation to give more flexibility to ICANN to absorb inflation as we see inflation on our costs. We are planning to increase fees to the registries and the registrars in alignment with inflation. The registry fee increase would start in January. This aligns with the terms within the contract, and the registrar increase has to go through the budgeting process and get voted on by the board, and so that would not start until July. So in the operating plan and budget that posts for public comment in December, there will be more information on this, and that will be the first time where people can give their feedback and ultimately that will be presented and taken when the board reviews the budget in May. So that was all I had. Thank you guys for the time. Happy to answer any questions.

PETER VAN ROSTE: Thank you. Good afternoon, everyone. My name is Peter Van Roste from CENTR. I actually have two questions. So how much would the deficit be without the planned fee increase for the 2025 budget? And then the second question is, you shared some expected income projections for 2025. Are these only based on expected market evolution or are there other elements such as consolidation or other elements that are included in that prognosis? Thank you.

SHANI QUIDWAI: Thank you for the question. So ICANN's fiscal 2025 starts in July 2024 and ends in June 2025. So for this current fiscal year, we have not assumed any increase from the registries yet. There will be no registrar increase. That wouldn't start until July. And so we're currently projecting a range of $2 million to $7 million. As it relates to next year, there will be no deficit within the plan, and whatever additional fee we get from the increase would be on top of that and just give flexibility for inflation.

Regarding your comment, we do an overall analysis of the market. This is included in our publication of the operating plan and budget where we look at macroeconomic data, we look at data points within the DNS market, and we also survey contracted parties and others to get their thoughts. And so overall, all of that information is taken into account when we do the funding projections, and we have seen for the last year to two years and also moving into the future just a kind of stagnant or kind of very slow or kind of no growth.

ANDREAS MUSIELAK: I would like to add a little bit what Peter mentioned. So considering the fee increase, I would like to know, so what would be the additional increase of revenues in this area? Do you have any expectations, $2 million, $3 million, U.S. dollar?

SHANI QUIDWAI: Roughly on an annual basis, it would equate to about $5 to $6 million. So you could think of per the contracts, it's the U.S. Consumer Price Index, which tracks inflation. That trends around 3 to 3.5%, and our annual funding is about $150 million.

IRINA DANELIA: Thank you. Actually, my first question was also about the funding you expect, additional funding you expect to get from the fee range, but it seems you have already answered that it is not currently included in the 2025 funding projections. That's my understanding. And that if it comes into effect in 2025, I guess it will give a couple of millions based on what you just mentioned.

SHANI QUIDWAI: Correct. And the impact to the 2025 will be less because it's only half of the year, and then it's only the registries, whereas in 2026 it would be registrars as well.

IRINA DANELIA: Yeah. And my second question is you did not show here this slide, but I believe you have it in appendix, and you demonstrated it during the prep week, and it's regarding next new gTLD round funding. The slide showed that the current tranche approved by ICANN Board is to fund this new gTLD program until March 2025. Will it get additional funding, and what will be the source of this funding after March 2025? If you can share.

SHANI QUIDWAI: Yeah, I can. Would you mind going to page 14? I think we have it in here. And so as Irina had noted, we've listed here the various tranches that the board has approved. And so about a year and a half ago or two years ago, Org presented to the board an implementation plan for the next round, and the funding for that has been approved in tranches. So as we make progress and report back to the board on the achievements, we then seek funding. And so there wasn't one overall funding approved for this, and so the most recent one was in June 2024, and this covers all the costs projected through March. And so in the February or March timeframe, we'll go back to the board and request another funding.

And we've been using two different funding sources. One is the remaining fees that we have from the 2012 round. That, along with the SFICR, have been the two areas that we've been using to fund all of this implementation work. And the full implementation of the next round is projected at $70 million.

IRINA DANELIA: And it seems you don't have currently enough money in SFICR.

ANDREAS MUSIELAK: I would like to add another—ah, Barack, you have a question.

BARACK OTIENO: Thank you very much. Barack from AFTLD. I haven't seen any funds allocated to ongoing geopolitical processes. There is WSIS+20 and maybe the Global Digital Compact, which in effect have a potential to create a bigger market that ICANN can be able to tap into as a resource base. I don't know if there's any comment on that.

SHANI QUIDWAI: Yeah, thank you. I don't have all of those details here, but specifically for the next round of new gTLDs, that is one of the costs that is part of the implementation is that there is a campaign or kind of an awareness campaign to bring more visibility into the top-level domains. So if that's what you were asking, we have that. Aside from that, within the operations there are funds, and when you read through the operating plan, a little bit more details on geopolitical and things like that can be found there.

ANDREAS MUSIELAK: I have another question about the new fee structure. So first you mentioned that there will be time for feedback, but you got already initial feedback from registries, registrars in this field. And the second question is, is there any risk that this will not be passed by the board?

SHANI QUIDWAI: So we've been getting feedback, and it's essentially what you would expect in the sense that people are not happy to pay more. So nobody's excited, I would say, but then I think most people seem to understand that the costs of all kinds of things have gone up in the world and that ICANN has been pretty fair in keeping the prices flat for so long. So while I don't think people are excited, I think most people seem to be okay with it.

As far as the mechanism that this could not work, kind of what you were describing, the registrar fee is voted through the budget, and so the board is supportive, but it has to go through that process. There's also been a little bit of confusing aspect with the registrar is that they have to vote every year on who pays their fees. And so if they don't vote, then those fees would be paid through the registry. So there's no risk to ICANN in that sense that we would still collect the fees, but it would create complications that we would be collecting all fees from registries and bypassing the registrar. If the registrars didn't vote to pay the fees so far, they've never done that, but you never know.

ANDREAS MUSIELAK: So we have two more questions. I think we start with Peter and then Leonid.

PETER VAN ROSTE: So when I hear ccTLDs consider a fee increase, one of the things they obviously take into account is the possible negative effect this would have on registration numbers in general. Is there anything you can share on how ICANN assesses the impact of a fee increase which would eventually be impacting the consumer price?

SHANI QUIDWAI: Yeah, this is why ICANN has never taken an increase because there was never a need and some of the issues that you cite. Ultimately we believe this is needed and necessary to preserve the sustainability of ICANN. The fee that ICANN charges is a piece of the domain name registration but it's actually a fairly small piece of it and a lot of those other fees that registrants would pay ICANN doesn't control and so some of those have already been increasing and ultimately they're just out of our control.

PETER VAN ROSTE: I definitely appreciate the need for a price increase especially with such a nice track record of not increasing the fees for decades. So that was not a question. But does ICANN have an assessment of what the possible impact could be even if it's a small part of the price? I see ccTLDs taking into calculation that unfortunately or realistically registrars just multiply that increase and so it effectively has an impact on the consumer whether that initial price increase by ICANN is used as an excuse or is transparently communicated, that is up to the channel to decide. But in all likelihood, it will have an impact on registration numbers and I was just wondering if there has been consideration on putting a number to that prediction or not.

SHANI QUIDWAI: Yeah, I understand and appreciate that feedback. This is why when people ask what is the exact impact of the fee increase, it's hard for us to say and we've projected some ranges and so we have thought about that. So there could easily be scenarios where the fees go up but ICANN's funding doesn't because in exchange for that, people start to drop their TLDs or their registrar accreditations and things like that. So we've modeled a few different scenarios. Overall we do view this to be a net positive for ICANN and funding but your point is noted that there could be declines in some volumes.

ANDREAS MUSIELAK: I think Peter raised a very important point and what CENTR did just recently—they looked in the renewal rate and how all domain names are. Increasing the fee structure means something probably very much more for the new registration rather than for the old ones because they very often get renewed every year, so I think you should also do studies on—and I'm pretty sure CENTR can help and other ccTLDs—what can be the key performance indicators just from the past and then see what—because many ccTLDs raised the fees also in the recent years, so probably that can help you to see the—to make the predictions more precise. Leonid, the floor is yours.

LEONID TODOROV: Hello, yes, thank you. Leonid Todorov, APTLD. Just to echo what Peter and Andreas have just noted, in the communist time in the USSR we used to have a saying: to get more milk from a cow you should milk it more frequently and feed more rarely.

With regard to those bullet points that you mentioned in one of your slides, you just alluded that fee increases are part of a broader strategy which is aimed at ensuring a longer-term sustainability of ICANN. Can you very quickly recap, well, in percent, what are other parts of the broader strategy? I mean, what would be their proportion in that overall strategy to ensure that longer-term sustainability?

SHANI QUIDWAI: If you move two pages forward, we could look at those bullets, but those comments were aimed at the point that we're not using the fee increase as a way to close our current deficit. ICANN has already taken actions to start to reduce our costs. There was a number that we're trying to lower. We are 60 to 70 percent on our way to being done with that. So ultimately the fee increase comes in after that as a way to improve the future sustainability rather than a way to close our budget gap or our deficit. That was the intent of that statement.

LEONID TODOROV: Thank you.

ANDREAS MUSIELAK: Okay, Shani, thank you very much. You see we had plenty of questions, and this will continue, but as we mentioned, we are happy to help if required.

SHANI QUIDWAI: Yeah, thank you. I appreciate the feedback and the experience you guys have mentioned is helpful, so any information.

ANDREAS MUSIELAK: Okay, this brings us to the next agenda item, which is PTI strategic plans. So the floor is yours.

MARILIA HIRANO: Hi, thanks for having us here. My name is Marilia Hirano. I am the Director of IANA Strategic Programs, and I'm just going to share a little bit—it's not going to take 15 minutes, so you'll get some time back too; it's more like five.

As you know, we're concluding our first dedicated strategic plan since the IANA stewardship transition. We had the first one be for the periods fiscal year 21 to 25, and now to align with ICANN's planning processes, we will have the fiscal year 26 to 30.

We went through the same process, same exercises that the ICANN staff, community, and board went through to come up with these three key areas for IANA when we get to 2030.

The first focus area is on innovation, and our main goal here is to enhance our agility and reduce time to market for new features. As you know, we've always had a resource issue and we've had challenges launching new features into the systems that we use to deliver the IANA functions. So we will really focus on innovation, and I'll share some of the activities that we plan on doing over the next five years in the next slide.

This is a big one for us—operational excellence is the second one. This is a focus on staff development, streamlining our processes, and always evolving our continuous improvement best practices.

Then the third area is on community engagement, and the difference here is that our main objective is not only to maintain our relationships with community leaders but also improve communication strategies and target non-traditional stakeholders, especially in underrepresented regions.

Those are the three main areas that you'll see in our strategic plan, and of course there will be objectives and goals under each, but today I'm going to focus on the main priorities, especially as we head into the first year of the strategy, which is fiscal year 26. Next slide.

So, Root Zone Management System (RZMS) is the online system that most of you are probably very familiar with. It allows the top-level domain administrators to manage your delegation details in the database—in the root zone database. The latest version of the system was launched in 2022; that's when we did a major upgrade to RZMS. We recently—and I say recently because it's very recent as of October 30th—we launched the two-factor authentication and Know Your Customer features. That was part of our priority recommendation from SSR2 that the board approved, and we've been working on it for the past year. Those features will be discussed further with the group—the TLD managers. If you're a user of the system, you should be getting notified by the team if you haven't already on how to enable that in your accounts.

What's next for RZMS? So the top three areas that you'll see in the fiscal year 26 operating plan and budget: The first one is regarding the request workflow, which we want to allow users to dismiss low-priority technical issues—and then we put an example there, serial number consistency—without requiring involvement from IANA. Updates to the authorization policy based on community feedback, and that includes a new policy allowing TLD managers to grant providers autonomy in managing the key rollovers. And then the third one, passwordless authentication using newer web authentication standards—the passkeys—which was initially going to be launched with two-factor authentication, but we pushed it to a later time. Next slide.

IANA.org—for those who have been following and users of our website, one thing that has been obvious for quite some time is that it needs attention. It's somewhat of a relic of a previous, of an earlier era of the Internet. The website kind of grew into a pile of information. It's poorly organized; it's hard to navigate. So as we innovate other systems and develop new platforms, we'll need to integrate with IANA.org. So we also need to prioritize bringing our website to this era.

In the coming year, we plan on delivering an updated and modern look to the website while also making quality-of-life improvements like accessible site-wide search and the ability to search and filter data within registries. So those are the first steps into modernizing IANA.org to make it more user-friendly. Next slide.

Our priorities for Root Zone DNSSEC management: We are going to do in fiscal year 26 an outreach for the second key rollover. It's expected to occur in fiscal year 27, but fiscal year 26 will be the time when a lot of outreach will happen. I do have the link here for you to sign up for the key rollover mailing list, and then you'll stay updated on this project.

We're making updates to both key management software and systems and related policy and procedures so we can prepare for a future algorithm rollover. It's anticipated to follow the in-progress second rollover. So second rollover is scheduled to happen in 2026, and it's now a three-year cadence, so it will happen again in 2029. By 2029, we need to be ready for the potential to change the algorithm—to do the rollover of the algorithm as well. So for fiscal year 26, we'll be working on this project to have operational readiness for the algorithm rollover.

Third, the new certificates, which are known as the ICANN CA for validating the DNS root trust anchor file, that will replace the current certificates that are due to expire in 2029, so a project is being launched in fiscal year 26 to make sure that that happens. Next slide.

And then of course I have to mention IANA's role in the next round of gTLDs. Although the application round is expected to begin in May of 2026, our role is to delegate the domains, and that only happens toward the end of the process—after all the required evaluations happen. So the current estimate is for our team to start delegations in the third quarter of 2027. But the work will be spread over multiple years, and that's why it's a priority here for the next five years. I put a link there for the delegation process if you want to check and learn more about that. Next slide.

I spoke about areas of innovation and operational excellence. The last one is on community engagement, and targeted outreach here is key. Our strategy will focus on raising awareness of our essential role in Internet interoperability. For fiscal years 26 through 30, we're going to prioritize engagement with non-traditional stakeholders with a focus on underrepresented communities. So we want to see how we can help each other plan for more specific engagement activities during the fiscal year. As Shani mentioned, we're trying to streamline our travel and our costs. So this is not only about traveling and going face-to-face, but we also want to do a lot of virtual engagement too.

Here, I also want to call out—if you want to give us your ideas, complete our 2024 annual survey, which the ccNSO always does. Kim Davikes will also be presenting it to the full ccNSO later this week, and this QR code will be there too. So for the full ccNSO, I just wanted to start the process here.

The last thing I want to say, on Monday, we have an IANA 2030 session where we will go over all of the achievements over the past five years—what have we achieved from our first dedicated strategic plan, and how did we get to the areas of priority for this time around. So in our session on Monday at 3:00 PM. If you can join, that would be great.

IRINA DANELIA: Thank you. Can you give any estimated target date when we should expect this strategic plan for public comment?

MARILIA HIRANO: Yes, that's an important question. It is November—end of November, actually. November 26, I believe. It will be out for public comment on November 26, all the way through end of January. That's the time frame for the strategic plan. And then the operating plan and budget for fiscal year 26 starts in January, along with ICANN's, yes.

BART BOSWINKEL: Just a question. Does it run in parallel with the comment period on the draft operating plan, etc.? I just wanted to check if so.

SHANI QUIDWAI: Yeah, and this is a change this year. The PTI and IANA plan usually had come before the ICANN one, but that has been changed and synced up this year.

BART BOSWINKEL: And this one is running in parallel with that one as well.

MARILIA HIRANO: The draft strategic plan will go out first because we want to have the ability to, if there's any major change or things that we need to add or that would impact fiscal year 26 operating plan and budget, we would still have the ability to do that. So it's—the operating plan and budget is later.

BART BOSWINKEL: Yeah, and is that covered in your overview?

ANDREAS MUSIELAK: Those were the content that Becky and the planning team were planning to go through today. And I believe you're having a separate meeting for them to come.

BART BOSWINKEL: Yes, but that's a different one. So the timelines—so just to be clear, because that's important for this group, because they need to get their act together to respond. It's your time—you start end of November?

MARILIA HIRANO: Yes, end of November. November 26 to January 28, I believe, are the exact dates for PTI strategic plan to be out for public comment.

BART BOSWINKEL: So that's before the webinar we were suggesting. When will be the operating plan and budget? What is the expected—so whether it's on this precise date doesn't matter. But are we still working against the date of, say, mid-December and December?

SHANI QUIDWAI: Yeah, so that date should be the same as it's been the last few years. We're targeting the 17th of December with a closing date of 17th of February.

BART BOSWINKEL: Final one. Your operating plan will be after that one?

MARILIA HIRANO: No, that's the same—with the operating plan and budget, the planning team will—it's aligned with ICANN. So—but there's still time to make changes in that period. So there will be a period where it will be running in parallel, right?

BART BOSWINKEL: And then what—you build in the ability for PTI to adjust its operating plan based on the feedback on the strategic plan. But that will be post the public comment period on the combined operating plan.

MARILIA HIRANO: Yeah, and that's why we're sharing the priorities for fiscal year 26 as we present the strategic plan, just so that we can get initial feedback if there's anything that we shouldn't be doing or focusing on.

ANDREAS MUSIELAK: Okay, thank you for the clarification. I think we are a little bit behind our schedule, so the next—and I think PTI and IANA is a good transition to our next agenda items, because in our SOPC submissions we always say we need enough financial support for IANA—that's important—but we see on the other hand we have financial challenges, so we see a deficit, and we have been approached by the board what the SOPC would recommend, what they should do. So we see there is a fee increase probably ahead of us, but I would like to open the floor for discussion—what could be some points? And I think on Tuesday afternoon, right, there's a session, so the points we will raise here Irina and I will also bring up in this meeting. So the floor is open—what can ICANN do to be more cost-conscious or increase—Bart, you would like to add something?

BART BOSWINKEL: Yes, please. To be very clear, you had a discussion with the ccNSO council last week on this same topic. It might be useful to share your takeaways from that conversation first before everybody goes off on their own—that's one. And it's to be very clear, this was a specific question for the ccNSO given its longstanding history with the SOPC. The other SOs—that's what I've learned yesterday—the other SOs and ACs did not receive that question, and this is really, say, advice from the

SOPC regarding the financials going forward and the financial situation. So that's the—I can read it even.

ANDREAS MUSIELAK: Actually, Bart, I wanted to do it the other way around. So if I talk about everything we discussed last week, so I would like to open the floor for you guys; if not, we have something discussed already, I think. What would be your suggestion to improve the financials? So the floor is open.

PETER VAN ROSTE: Thank you. Just speaking from my own experience, because I'm really sympathetic to the exercise that ICANN is going through. As a members organization, we also see that times are changing—much more difficult to find the necessary resources—so we quite early on started looking at the cost aspects of running the organization. And in our experience, the one thing where we could make significant savings was working with external consultants. Even when we had trusted relationships with people, it turns out that by making or offering those contracts again to a wider audience creates a healthy competition. Eventually, you quite often end up with the same people that are doing the consultancy work, but on a different fee basis. So, I mean, that for me would definitely be the area that ICANN could be looking into, especially if I see the substantial consultancy amounts that are being spent, which equal, at least in one case, the costs for the employee costs. That could save from painful further cutting in the employee base. Thanks.

ANDREAS MSIELAK: Any other remarks for the moment? I think we both would start, and Irina, if I miss a point, you just add your points. I think the interesting part is that for more than a decade we have, in our SOPC submissions, we say be careful in increasing headcounts; it should be adapted to the funding, and we see there was restructuring now. So I think the important thing is if we give advice, that should be really considered. I think it's our starting point here, and what we really can see—you mentioned that—I think I add this point to our—when we have this meeting on Tuesday—the whole point is if we have any policy development, it takes years, so it doesn't matter. So I remember when we had the COVID pandemic, so it was very slow. So I think increasing the pace and the whole thing in the process of development, that can help, because you're saving money, because you get things earlier done. And then, of course, focusing on the costs, I think that's an important part, and Irina, I would hand over to you and look into my notes, and we'll add some more points later.

IRINA DANELIA: Well, thank you, Andreas. Unfortunately, I could not make the meeting you mentioned, but in preparation to that meeting, I looked at our submission during the recent three years, and the main points, repeating points, I see there were regarding the reserve fund, and the appropriate amount of the reserve fund being kept as a pillar of ICANN's financial stability investment strategy, and whether the funds are invested in the most effective and efficient manner.

We always made a point that in any situation, IANA function should be adequately resourced and funded, and should give necessary support.

We were supportive to the base narrow revenue forecast in all our submissions. We were making points about headcount and expenses control, and which Andreas already mentioned, and the need for prioritization of efforts and reporting to adequately demonstrate what was achieved. These are the points which were repeatedly made in our submissions, but I wonder if there is anything else important we are missing.

ANDREAS MSIELAK: And to dive a little bit into the details, so you mentioned the base estimation, so I think normally what ICANN is doing, you have three estimations—best estimation, middle estimation, low estimation—and I think we should go rather now more to the low estimation than to the middle estimation, which was basically in the past 10 years the standard, but I think either we change the middle scenario and make it more precise, as Peter mentioned, probably have more insights from the industry, so that can also help. And there was of course also what Irina mentioned already, in the past two years—and we're talking to ICANN planning over the past two years—to really track the progress and have clear KPIs, and I think this is what we wanted to discuss today too, but we come to this agenda point later today. So I think these are the short summary of the points we would raise on the Tuesday meeting. Is there anything else we were missing now? I see no hands up. Okay, but I think that summarizes more or less our points. Okay, let's go to the next agenda item.

Ah, status of SOPC members. We asked, I think in August this year, who would like to confirm his SOPC membership, and we received a couple of confirmations, and among them we have Sophie, who would like also to join, I think, probably at the end of this ICANN meeting, we would be happy to have you on board. We have some no responses, but I see we have some of them. Yeah, that's my question. That's why I would start a short poll, and for those who are on the list, please raise your hand. Joke will put it in the notes.

Okay, so we put that into the notes. Thank you very much for your commitment. And unfortunately, we have three persons leaving for good reasons sometimes. If you go to retirement, that's okay. It's not because they don't like the work. I think we want to thank you both. I think Chris is not here today, but particularly to you both, Leonid and Rosemary, with your experience in the past years, and I know Irina mentioned that we were always looking for chairs for the subgroups, and you were always willing to support us, so the success of the SOPC submissions would not be on this level without you guys. So therefore, we wanted to give you a short present, because it's your last meeting today. So thank you very much. A big applause for you guys.

Yeah, so three experienced persons, members leaving the SOPC, so we need new members. Any ideas who we should approach at this meeting in particular? So we have always persons in mind. If not, just send to the secretariat or to Irina and me names, and we will approach that. Keep that in mind. Talk to the people here at the ICANN meeting. We need people like Leonid and Rosemary and the others—really experienced—so we can do our job very good. Next slide, please.

IRINA DANELIA: Before we move, I want to echo Andreas, so please look around, think who might be good for SOPC member, and specifically we need more people with technical expertise looking ahead of IANA, upcoming strategic plan and operating plan. We will be very happy to get people with technical expertise who are able to increase our competencies in this particular area.

ANDREAS MSIELAK: Okay, that brings us to the next agenda item, which is the chair/vice-chair election. Every two years, we need to re-elect or find new chairs and vice-chairs.

Bart, Irina and I, we talked to each other, we would be willing to continue, but if there is somebody interested, and we know that, you know, it's—yeah, then we are happy—competition is always good. So if you are willing, just raise your hand, and with that, to be neutral, I hand over to Bart.

BART BOSWINKEL: Thanks. So first of all, just to clarify the process, the SOPC membership nominates its chair and vice-chair, and then the ccNSO council confirms the nomination, and then at that point, they are appointed. So as Andreas said, there's a three-year term. If you want to leave the SOPC beforehand, you're not bound to stay on because you're chair or vice-chair. So that—you can't expect this, but definitely, it should be a member of the SOPC who you want to nominate.

So the process in this case is fairly—yeah, we can do it secretly, but at the same time, you heard Andreas and Irina. Maybe just open the floor for nominations. Is there anybody who wants to nominate a candidate for the chair of the SOPC? Any nominations?

BARBARA POVSE: Well, if I may, I'd like to nominate you, Andreas, for chair, and at the same step, I would like to nominate Irina as vice-chair, and I would like to thank you for your great, really great work. So thanks a lot, because I know that you take enormous burden because of our, you know, sometimes we don't respond very promptly, as you could see, but you are guiding us, and I think we really, at the end, we produced nice comments that are useful always, so thanks again.

PABLO RODRIGUEZ: I would like to second that nomination to both Andreas and Irina, and again, I also want to thank you for carrying the work and for guiding us throughout all this process. Thank you so much for all you do.

BART BOSWINKEL: For sake of process, are there any other nominations? Don't see any. Then a formal question: Do you, Andreas, accept, and Irina, accept the nomination?

IRINA DANELIA: I do.

ANDREAS MSIELAK: Yeah, I accept the nomination. Thank you very much.

BART BOSWINKEL: It's on the council agenda, so hopefully the council will support your nomination.

ANDREAS MSIELAK: Okay, so last agenda item, if I'm not mistaken. Next slide. Oh, it's a thank you. Okay, but it's a wrap-up. So basically, actually, I'm pretty sure you missed one very important agenda item, which is basically the response to our SOPC submission to the five-year strategic plan and budget. So we have been approached by ICANN planning that they need to discuss this on this ICANN meeting, so the idea was to have a virtual meeting in the beginning of December, right? I don't know if Xavier is here.

So the idea is we will approach you with a meeting at the beginning of December. The good thing is that we get immediate feedback on the five-year strategic plan, and as we mentioned, we can have a look already on PTI budget and also on the upcoming operating plan and budget. So that would be one big thing about that.

And I think we need to go back to one slide about the future approach, right, Irina? That would be your part, yeah? So can you go back to slide number two or three?

IRINA DANELIA: Actually, I assume you all have a very good memory, so we started this meeting discussing the approach we used previously to prepare our submissions. Now the question is how should we organize our work for the next steps, because we just have heard that we have a PTI strategic plan in end of November and starting end of December, ICANN operating plan and budget 2026. So how should we deal with it? Should we use the previous approach? Should we do something differently? Should we have small teams? Should we have leaders for these small teams? Should we have webinars, actually, in between on each topic, if feasible? Please, any thoughts? It will be you who will be doing the work.

PABLO: Thank you, Irina. This is Pablo Rodriguez, for the record. I think the webinar option between the topics would be quite helpful, in my opinion. So I definitely vouch for that.

ANDREAS MUSIELAK: Which means, considering the past approaches, and I feel also the success. So when we submitted the SOPC submission for the five-year plan, we were very much ahead of the time schedule we had in the plan. So I think we should continue.

And there was one suggestion I need to ask you. There was a suggestion by one of the SOPC members to add a WhatsApp channel, so for immediate—you know, we all work in different time zones—to update, be careful that there is a new call or the Google document is updated. Do you have any other thoughts? Would it be okay for you if we will open a WhatsApp channel? Any thoughts of that? In particular, if you're not in favor. So if you're in favor, any thoughts? Is it a good idea? Okay, then I would ask the secretariat probably to collect the mobile numbers.

BART BOSWINKEL: Maybe for Marilia. Normally the board does a webinar prior to presenting the draft strategic plan. Will you do one before the PTI strategic plan is presented? The reason for asking—let me explain—because that allows, for example, this group to really understand the structure of it, because their working method is also based on the structure of the document. And that makes it easier to really get to the teams and etcetera, whether it's needed. But if it's a two-page document, it doesn't make sense to create all these themes, something like this. So do you do a webinar prior to it, so preempting on the structure of the document?

MARILIA HIRANO: We don't have anything scheduled or planned for a webinar on the five-year strategic plan for PTI prior to public comment. But we do normally schedule one while it's open—while the public comment process is happening—to see if we can get feedback through that avenue too. For the operating plan and budget, it's part of the ICANN planning process. But if the group is interested, it's something that we can arrange to do. It's not a very long document. We wanted to make our strategic plan very straightforward. It's very closely attached to ICANN's strategy. As you guys saw, there is a strategic objective on the ICANN plan for the sustainability of the IANA functions, and our strategy is heavily related to helping ICANN achieve that objective. So it's a very straightforward plan. I believe it's eight pages right now.

BART BOSWINKEL: That makes more sense to do it as a full group, not to do it in separate groups, because that—you need to organize prior to release.

IRINA DANELIA: I think that's all. And just please expect emails with the suggestions on the further schedule of our work. And as Andreas mentioned, we plan for the webinar early December. And I think we can also include a topic on the IANA PTI strategic plan in that webinar.

ANDREAS MSIELAK: And I missed another point for this meeting in December. It's a so-called management framework program. It's about the progress measurement and reporting framework. So this will be a new initiative presented—was also planned for today, but there are meetings in parallel. So that's why—yeah, it's actually the kickoff of the process. So be aware.

Thank you for having a very constructive meeting. Thank you for the good presentation from PTI and ICANN planning. Thank you very much. And thank you, the ICANN secretariat and the tech team. Thank you very much and have a successful meeting.

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