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PRAGUE – BOARD / ccNSO Session  
Tuesday, June 26, 2012 – 10:00 to 10:45  
ICANN - Prague, Czech Republic

LESLEY COWLEY: So good morning, everybody. This is the ICANN board and ccNSO gathering. We're hoping to make a start very shortly, because we have a lot of things to talk about.

(Speaker is off microphone.)

I know.

STEVE CROCKER: Well, welcome, everybody.

We have this back-and-forth tension about how to arrange the room. This arrangement provides more space, but at the expense of the sight lines. We can see you, you can see us, but you can't see each other very well.

Whereas, a "U"-shape would provide better sight lines but less space, so we're sort of caught in the trap of which way we want it.

I think our plan is to experiment and try it the other way in Toronto, and then we'll take feedback. But we're happy to take feedback right away, but I wanted to share that this was under discussion, not casual, and -- I mean, not an accident.

Might be wrong, but it wasn't done without thought.

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And so if it's not working, then we apologize, but trying to evolve this and make things work well.

Speaking on behalf of the ICANN board, we look forward to these exchanges. There was a prior format that was more social, and we switched to this format and we try to dive directly into specific issues and have very frank and direct dialogue. We can't necessarily solve every problem, but we certainly can, you know, without any bounds, have a discussion on whatever you want.

We have the preparation of questions we've prepared and questions that you have prepared, and with that, I think I'll turn things over to you, Lesley, and it's truly your meeting.

LESLEY COWLEY:

Thank you, Steve. And greetings, everybody. And at least you haven't got pillars in this room. We have some rather large pillars in the ccNSO room which means we can't even see most of the audience, so hey, this is good.

So we have a list of kind of topic areas for you, and let me give you a brief heads-up on those.

So firstly, WCIT and all things WCIT, and ICANN's strategy with WCIT.

The IANA contract.

We're interested in the top priorities that you will give Fadi.

And particularly, I want to allow lots of time for the operating plan and budget and financial matters.

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So maybe if we can tackle the first two relatively quickly, that would be appreciated.

STEVE CROCKER: And let me just ask. I think the total set of questions take up two slides. Maybe it would be helpful just to peek ahead to see the other set, so we have the full picture.

LESLEY COWLEY: Those are for if we have time left, we can go to the gTLD program --

STEVE CROCKER: Okay. That's fine.

LESLEY COWLEY: -- and indeed, those were two of the areas from the board as well to the ccNSO for any comment.

STEVE CROCKER: All right. So let's back up to the other ones.

Let me take a stab at removing the easy one there.

I don't see multiple easy ones, but I see one easy one.

The IANA contract, there's really not a whole lot to say. We have submitted the proposal end of last month, end of May, and now the process is entirely in the U.S. Government's side to evaluate the proposal and decide what they want to do, and we wait quietly and are

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required to say essentially nothing. Not to comment and not to encourage public comment.

So that process is underway. When we know something, you'll know something.

LESLEY COWLEY: Thank you. We understand that.

Given the importance of the IANA to cc's, do we have any indications as to time line?

STEVE CROCKER: There is no advertised time line. The extension that they asked us to agree to I think is end of September.

Is that right, Rod?

ROD BECKSTROM: That's correct, yes. End of September.

STEVE CROCKER: And so, you know, without -- just the common sense of the situation is that sometime before that, the matter should be settled, and so, you know, if you back that up a little bit for putting the pieces in place and getting everything signed, my estimate would be, you know -- just on the common sense is mid-August would be a nominal time. Could be later, could be earlier, you know.

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Could be much earlier, but -- and they could push it, but, you know, if I was just going to pick a date to have as an expectation, I would just rest easy for a bit.

LESLEY COWLEY:

Okay. Thank you. That's appreciated.

Maybe let's move on to WCIT. Keith, you were going to pose the question.

KEITH DAVIDSON:

Thank you, Lesley.

The ccNSO is having a panel discussion on the WCIT topic on tomorrow, and I think from that, a number of ccTLDs will be developing their strategy for engagement and how they will act within the WCIT environment, but I think it's quite important to us to have a clear understanding of what ICANN and the ICANN board's strategy is for engagement in WCIT coming up.

So I don't think it's a difficult question either, Steve. It's really an informational sharing prospect going forward as to how we might be able to collaborate between the ccTLD communities as individuals and ICANN.

STEVE CROCKER:

It's a good question.

It's very common of us to refer to Rod Beckstrom as President and CEO, but he actually wears another hat of being in charge of the global

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partners team, so let me turn to you in that role, Rod, and ask you to speak to this.

ROD BECKSTROM:

Sure. And I was scanning the room. I'm not sure -- yes, I do see Nigel here.

Nigel Hickson, who has joined us as vice president of Europe, is responsible for our overall strategy for WCIT. As many of you may have known, he joined us from the U.K. Ministry of Culture and Communications, and has been involved in previous WSIS and WCIT meetings.

Nigel, can you provide perhaps a quick summary for the group here in response to the question?

NIGEL HICKSON:

Yes. Thank you and good morning, and delighted to be able to do so.

Clearly we do take the WCIT seriously. The global community, the ISTAR organizations, are involved in the regional preparatory phases.

We monitor the proposals coming out of the various fora.

As you know, the WCIT is an interesting vehicle. It's updating international telecommunication regulations that were penned in 1988 in Melbourne, and therefore were created in a very different age.

There are lots of proposals on the table to amend these regulations, some dealing with costing issues, some dealing with fraud issues, with number abuse, with address abuse, some affecting the Internet, some

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not affecting the Internet. And we're obviously collaborating with ISOC and with other organizations and with governments and taking part in the various -- as I said, the regional preparatory phases to try and ensure that what comes out of it is sensible and doesn't harm innovation, doesn't harm commoners, and doesn't do any harm to the Internet itself. Thank you.

KEITH DAVIDSON:

Mr. Chair, I'm not sure if that completely gave me the picture of strategy, rather than process, but, you know, there are some things like some organizations are calling for greater freedom of information from ITU and so on. At the strategic level, Nigel, if we could, can we tease it out to specifically the ICANN mandate?

NIGEL HICKSON:

Yes. I mean, the ITRs, as I said, were telecommunication -- were penned to look at telecommunication regulation. The -- certainly the view of most in the community is that they should basically stay that way, that they shouldn't interfere with the Internet, and certainly not the domain name system.

Now, clearly any -- any update to an international treaty is going to -- is going to reflect the -- is going to reflect the times we're in, the sort of business -- you know, the business environment we have, but certainly we're absolutely dedicated to ensure that nothing in the ITRs affects the -- affects the Internet, affects the domain name system, and indeed, the Secretary-General of the ITU has said that the WCIT is not the place to

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discuss Internet governance issues and we sincerely hope that will be the case.

LESLEY COWLEY: Thank you, Nigel.

So I think that's a key for our (indiscernible) territory strategy. I think that's what we're hearing so far. And I think what we are saying from the cc point of view is that we have our own strategies, particularly in terms of ensuring a multistakeholder model is supported very strongly in those discussions. I'm not sure if there's anything further to add to this topic just at the moment, but we're certainly interested in hearing the updates and communication on that issue.

Rod?

ROD BECKSTROM: Just very briefly want to say I think that all of us at ICANN really appreciate how important your role is in all of this, as most of the ccTLD operators have close relationships with their governments and the ministries that might be present at WCIT, and your role in educating them and providing and sharing your views is extremely valuable. And we will do our best to carry forward the sort of consensus views of this community, but your work out there all around the world is -- far outmatches the resources and the relationships that we all have. So a large recognition for your important role and a call for assistance.

LESLEY COWLEY: Thank you. And Mike, did you wish to comment briefly?



MIKE SILBER:

Lesley, very briefly. And maybe it goes to the purpose of this meeting, because obviously it's important to this community to understand and to ask certain questions of the board, but it's equally important for us as a board to engage with you and understand where you're going.

So even if the ccNSO doesn't have a finalized approach, I still think it would be very useful, on this or any other topic, to hear first impressions, close to final or final suggestions, advice, strategy -- and I use "advice" with a lowercase "a," not in the sense of GAC advice, of course -- because I think it's very important for us to hear what's troubling you, but also what your potential solutions are.

LESLEY COWLEY:

Thank you, Mike. Which leads me literally, into an advertorial for our session on Wednesday afternoon at 2:00 where we're talking about "Can ccTLDs influence the outcome of WCIT," and we have our normal panel session which I hope will lead to a lively discussion on this topic.

Okay. I'm going to move us on, if you don't mind, to something that's quite high on the ccNSO agenda.

We have a lot of attention to the strategic plan of ICANN and the operating plan and the budget and thought it helpful to share with the board our current status on those issues for which I have Roelof and then Byron.

ROELOF MEIJER:

Thank you, Lesley.

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Yes, I have a few comments to make, and the first one will be that we took quite some time as a working group of the ccNSO to comment on the draft version of the fiscal year '13 operational plan and budget.

We learned that the board approved the plan last Saturday, and I put my question to the CFO just this morning, what the major changes in the approved version of the plan were as compared to the draft version.

From that question, I learned that the single important change was that the number of new gTLD applications was increased from 500 to 2,000, and for the rest, I think of all the comments made by the community, very little were taken into account in the sense that they led to changes in the plan. Which worries me, because I think -- and that's undoubtedly because I'm the chair of the working group -- that we filed some sensible comments but it seems that the whole comment period has not very much influence on the final version of a plan.

STEVE CROCKER:

Obviously we want to respond to this. Do I understand that Byron wanted to say something? And I saw Sebastien wanted to make a comment as well before we sort of try to give an organized response to this.

LESLEY COWLEY:

Okay. So Byron is an update particularly on finances, which I think we can take separately.

STEVE CROCKER:

Separately? Sebastien?

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SEBASTIEN BACHOLLET: Thank you, Madam Chair, Mr. Chair.

I wanted, as the chair of the PPC, to acknowledge the receipt -- that I have received the letter of the ccNSO about the comment period. It is a subject that we already started to discuss during our last PPC meeting on Saturday -- or Sunday, sorry -- and we will take that very seriously and I would like personally to acknowledge that it may have been -- put you in some trouble with the short comment period.

We will try to find some solutions for next year. And at the same time, in parallel but additional to that, we will, as -- in the Board Finance Committee discuss the overall programming of the budget. That's another topic in parallel with this one, and I hope that it will solve or help to solve the question you have on this subject.

And thank you for sending your inputs on that important subject.

STEVE CROCKER: Thank you. Momentarily, I want to call on Rod and whatever staff he wants to talk about the role of the -- that the comment period played this time and the process of the budget.

ROELOF MEIJER: Maybe -- sorry, Steve, but maybe we should skip this subject because this is just about the process. We filed a comment on that, and we trust it will be taken into account.

But let me -- if you allow me, I'll give you three comments that we made, of which I understand that none of the three led to any changes, and I think they are important comments.

The first one is that we noted that in the plan there was something like 13 strategic priorities and 25 projects, and that that is too much. Especially if ICANN also has the new gTLD program to deal with.

We learned that the number of applications was increased from 500 to 2,000, which is logic, because we know that there are about 1900-something applications. That means that the work of ICANN in this particular project will increase.

But none of the other projects or any of the strategic priorities were taken out.

So that means that the -- in my opinion, the plan was already overloaded and it is even more overloaded now.

Second point is that -- and we've made that comment several times on several plans so far -- is that what we think is missing in the plans that ICANN makes, strategic plans and operational plans, are measurable quantitative and qualitative goals and milestones.

We think it's very difficult for the community, for ICANN staff, for the CEO, but also for the board to monitor progress and to correct if things go not fast enough or the wrong way if the goals cannot be measured, either by quality or by quantity.

The third comment that I would like to stress is that -- and we've seen it over the past years -- is that costs increase more rapidly than revenues.

Now, this is, in my opinion, always a problem but it's more a problem even if the costs are higher than the revenues and they still increase more than the revenues increase.

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And this is the case.

If you don't look -- if you take the budget, take out the new gTLD program, you see that for operations the costs increase faster than revenues, and they are higher.

And the report we got back is that this does not really worry the organization because the costs are justified by activities. The activities have to be done and, okay, if we don't have the money for it -- I don't know where it comes from, but that is about the response we got.

And those comments led to no changes in the plan.

STEVE CROCKER:

I love those questions. Those are the kind of questions we try to ask at the board level, too. I share some of your frustration.

I think those are first-class questions.

So we'll -- Rod, do you want to dive into those?

ROD BECKSTROM:

Sure.

I don't think Kurt Pritz is in the room. If he is, please identify himself. I think he's in a different session right now. Who led the strategic planning effort.

Clearly, the range of requests comes from inputs from the community and there's a lot of interest in many different projects and it's been something that I've had to deal with as the CEO, is an enormous set of

demands placed upon the organization. Absolutely enormous. Across a very large set of projects.

So I share that observation and that concern. This is a community that wants to get an awful lot done through a very small organization, relative to its span of activities.

But without going further into Point 3, Xavier, can I ask you to help touch upon these three points, please?

XAVIER CALVEZ: Sure. Thank you, Rod.

[Scribes are receiving translation instead of room mic]

CHRIS DISSPAIN: -- not getting a feed right now, so I don't know how important it is that -  
- ah. They obviously are now getting a feed. Oh, maybe it's just me. It's channeling through me. So Xavier --

XAVIER CALVEZ: So can you repeat what I said, please?

[ Laughter ]

CHRIS DISSPAIN: No. I think it's far better if you say it. It will come with much more authority from you than from me.

XAVIER CALVEZ:

I didn't mean to put you on the spot, Chris.

So I guess I was about at the end of my speech, so it's too bad that it's not to the scribes, but I just wanted to provide that perspective on the list of projects.

LESLEY COWLEY:

Okay. So thank you.

Just to be clear, what we're saying is that, you know, the ccNSO has put a great deal of effort and time and thought into making comments, and we're just not seeing those reflected, so we're feeling as though we're not heard.

We're not expecting all of our comments to be miraculously making huge changes on the plans or the budget or whatever, but it would be good to know that we're heard, the input is recognized and considered, and it's mentally reassuring to know, Steve, that the board is asking similar questions. We find that very encouraging, I'm sure.

But as you'll be aware, the ccNSO has taken a lead on making input to the strategic plan and to the operating plan and budget, and we have a commitment to making that.

It's quite difficult to sustaining that commitment if you feel you're not being heard.

STEVE CROCKER:

Yes. It's clear from both the content of what you and what Roelof is saying, plus the tone, the level of frustration.

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Cherine is eager to speak, and as chair of our finance committee is probably in a pivotal position here.

CHERINE CHALABY:

Yeah. I'm eager to speak because I sympathize with the -- I sympathize with your frustration. I mean, naturally you work hard, you submit comments, and you see no major change to the budget.

But I think the whole thing stems from your first point, really, because everything trickles down, which is the level of strategic priorities which in your comment you feel it's too much.

And this -- honestly, this has to be captured early in the strategic plan because the budget is driven once the strategic plan is approved.

Now, I look at those 13 strategic priorities -- and I have a list here in front of me -- and you think, "Well, which one can I cut out?"

Like the first one: Execute IANA contract. Is this not strategic?

Launch new gTLD program. Is this not strategic?

DNS stability and security. Is this not strategic?

Compliance -- contractual compliance built up. Is this not strategic?

ATRT recommendation. Is this not strategic?

And you go on. Law enforcement. Is this not strategic? WHOIS. Is this not strategic?



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So unfortunately, this organization is working -- there are many strategic things, and, you know, the finance committee cannot decide which one to cut. That's not the job of the finance committee.

So we have to go back to really have a proper strategic plan and assess the priorities that can be implemented. And if we feel as a whole this is too much, this is where we have to go to the root and cut it out at the root, because it's too late when it comes to the finance committee at that time.

So that's the point I'm making.

But I do understand and hear you fully, and I do understand your frustration.

ROELOF MEIJER:

And just my final remark. I'm not so much frustrated. I'm worried. I don't make the comments because I want to be listened to. I make the comments because I think something is going wrong if we don't change it.

LESLEY COWLEY:

And I should also add that the ccNSO makes significant comments on the strategic plan itself, because we recognize that that then determines the budget.

So let me move on to another somewhat frustrating topic on finance.

So we have an update from Byron as chair of the financial working group.

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We've had some news this week that has caused some concern.

BYRON HOLLAND:

Thanks, Lesley.

And thank you for the opportunity to speak. This was a bit of an ad hoc topic because, as Lesley says, there was new information provided this week that was unanticipated.

As most of you know, the finance working group was set up the better part of two years ago to examine the cc community's contributions, financial contributions, into ICANN. To look at the methodology and also the quantum, the number of dollars being contributed.

And as part of that, there are really three key deliverables.

One was examining the models.

The second was doing actual quantitative research, survey research, into the cc community about the services they perceived they were receiving and the services being offered by ICANN.

And the third key deliverable was an analysis of ICANN's financials in terms of what ICANN believes it was spending on the cc community.

And this was driven by a vehicle or a tool called the EAG, the expense area group, which put out a final number that was ICANN's reflection of what it believed it was spending on the cc community.

And I'm sure we'll all remember there was some contention around the number itself, and as we dug into it, perhaps some contention around how it was actually calculated.

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That said, the finance working group completed the first two deliverables. We were expected to come with a conclusion or recommendation by the Toronto meeting, which is only in a few months, and for a significant time, has been awaiting that financial information from ICANN in order to complete its work.

And that's where we come to the change in plan.

And I want to actually call out Xavier here because I think that it takes a courageous person to come late in the game with news that he knows nobody's going to want to hear, and I commend him for doing that in spite of the fact it's not the news we would have liked to have heard.

The CFO has really challenged the approach of the EAG by stating fundamentally that it's not an adequate representation of ICANN's expense allocation and therefore it's not included in the FY13 budget. And I want to pause here because that's critical on a couple of fronts.

The fundamental tool that we've all been using -- I mean, we speak on behalf of the ccNSO here but it's the allocation method for all communities, not just ours. That the vehicle that we've all been using to understand that has been questioned and challenged by the CFO and his team.

To the point that we don't have confidence -- and I say "we" as in both parties in this discussion -- don't have confidence in it anymore.

That's particularly important because certainly from our perspective it has driven a number that the entire community has associated with the expense allocated to the cc community, and that has gone anywhere

from 9 to \$12 million. So that's a number that's out there based on a vehicle that now the finance team is not believing in anymore.

So I think there's an important thing to note there.

But as far as the finance working group goes, that means that a key component of our work effort cannot be completed at this stage, and certainly cannot be completed on time, which is for Toronto.

Needless to say, it's frustrating. It's very frustrating being 20 months into a 24-month project and not having a key piece of the required information become available. And not only just not become available, but be stepped away from.

So it -- you know, like Roelof, it's extremely frustrating to do this level of work and expend this level of effort over this level of time and suddenly have the fundamental basis of what you're trying to work on pulled out from underneath you.

So until Sunday, we fully expected to meet our milestone of delivering our end work product which would have been a recommendation for a new level of funding and an update to the model, the contribution model, in Toronto.

Needless to say, that's in jeopardy.

What I will say is the finance working group and Xavier are -- we all remain committed to finding a resolution to this critical matter and exploring alternative approaches with ICANN, and I think that's the key there.

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We are committed to working with ICANN to find a path, but at this time, you know, and as a result of this new information, the outcome and the time line have certainly been undermined. So this was a bit of an unscheduled update, but I think this information is critical to get out there and for the board to have an understanding of where this, certainly from the cc perspective, important issue is.

Thank you.

STEVE CROCKER:

Thank you, Byron. Let me do a couple of quick things here. Let me ask whether Cherine, as chair of the Finance Committee, or Xavier or Rod, you want to comment on any of the things that Byron has just talked about? And then I think I want to move to, in some sense, an action item here.

ROD BECKSTROM:

I think Xavier has some comments he would like to make, and Cherine can build on that, if he wishes.

XAVIER CALVEZ:

Thank you, Steve and Rod. And thank you, Byron, for the rendering of this.

As Byron has indicated, we exchanged over the past couple days on this matter. And you will confirm that what I initiated by the correct rendering that Byron provided of the issue that I see with the tool that was being used or intended to be used for the purpose of that exercise is creating a disruption -- significant disruption in the working group.

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And I was fully aware that that would be the case, and it's not likely that the decision to share my thoughts and views has been taken. And it's not without consideration of that impact on the working group.

I have also said to Byron, Roelof, and Lesley that I should have provided them a bit more heads-up on the subject and I have apologized for that and I recognize that it was warranted and didn't happen.

And I will then comment on the fact that it's out of a strong will and intent to allow the answer to the question to be provided that I have suggested to change views, or at least to change the approach to get to that answer because I believed that it would have been difficult to answer that question durably and permanently with the approach suggested.

So now there is completely a commitment that comes with this suggested approach to ensure that the timeline is as tight as possible to finding a solution in the short-term so that we can effectively conclude on this project or at least ensure that we have the adequate progress on it that we would like as a group. And I have -- I want to thank the ccNSO to have been receptive to what I said and to my request to work with them in finding a solution.

And I just want to reiterate that the intent was not to dismiss the information being expected but to find a solution to find the right information and work with the group on the solution and the answer to the question.

STEVE CROCKER:

You want to?

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CHERINE CHALABY: I would be interested to know -- if we can put some time frame on actually resolving this issue rather than let it linger on. That's all.

Xavier, it would be helpful if you and Byron can tell us -- when do we need to -- I know it has to be yesterday, but we can't let it linger long. I think we need to come to some resolution on that as soon as we can. Is there a time frame in mind here?

XAVIER CALVEZ: There is not yet a time frame on the entire solution. There is a time frame we have worked on together on the next step, which is I'm expecting defining that timeline for the project and for the answer. So we have agreed to try to meet to be able to formulate what the process will be and how this project will be completed.

CHERINE CHALABY: Byron, are you okay with that?

STEVE CROCKER: Let me jump in here.

So my understanding is that on the ccNSO side, the team that has been engaged in this dialogue consists of exactly, well, except for Keith here, Lesley Roelof and Byron.

LESLEY COWLEY: We have a finance working group, and we also have liaison with Xavier.

STEVE CROCKER:

Let me say very forcefully, I have known the three of you and I know the operations that you run. Each one of you runs an absolutely first-class top of the line ccTLD registry with all of the machinery for managing budgets and projections and so forth. So you're not unsophisticated and pretty versed at maneuvering around budgets and understanding how to slice and dice and distribute and all of the things that we have to do.

And, further, Lesley I will say I have been absolutely amazed at how specific and detailed you're able to be all of the time digging into our budgets. You probably know the budget -- you probably know the budget better from the outside than almost everybody else even inside the operation. So the conversation that obviously has to take place should be -- my guess is should be relatively short in the sense of if the EAG is not the right model, if that's the notion of tool that we're talking about, then what its weaknesses are and what's the next step of how to adjust is at least conceptually ought to be a pretty efficient, high-speed conversation that can be had pretty quickly and then moving toward whatever adjustment -- I don't have any of the details, and I will stay back from it. But whatever the adjustment that needs to be made, that course should be plotted relatively quickly.

I can clearly empathize that being 20 months into a 24-month project and having it surface like this is extremely awkward.

So to the question that Cherine asked about timelines, I guess it would be a little inappropriate for me to say, well, it's got to be by such and such a date. I don't have enough data, but pretty damn quick would be the qualitative answer.



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**BYRON HOLLAND:** I appreciate that, Steve. That's a pretty fine point you put on it.

I would say, at this point we have agreed to a next step which is actually to have a meeting to determine what the clear objectives and the clear timeline is going to be, and that's in relatively short order.

To us, this information is 36 hours old, so we're still thinking it through. But Xavier has committed to meeting with the group in short order and determining what the next steps and timeline --

**STEVE CROCKER:** I'm embarrassed to see that the information to me is about 36 minutes old which I'm not too pleased about.

A couple of years ago before Xavier was on board when the EAG was put together, we were presenting the budget in three different ways, trying to meet a whole bunch of different things. I spent some time trying to understand it all, and it is challenging and there is a lot of questions as to whether or not the fundamental way of doing that has real meaning. So it is not a huge surprise to me that when one digs into that, you come away saying it may not be the right thing.

But that said, it ought to be possible to pivot relatively quickly into something that is meaningful and to do it in a timely fashion. So I'm quite empathetic.

**LESLEY COWLEY:** Indeed. So we have a commitment developing a plan C, I think we're on now, and we'll come back to you with an update in Toronto.

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Mike?

MIKE SILBER:

Thanks, Lesley. Byron, I just wanted to thank you for acknowledging that the message wasn't unwelcomed and we certainly understand that but also acknowledging that the communication was clear, precise and for not shooting the messenger. I'm sure on behalf of Xavier I can say that.

But I think this is how it needs to be, but if something is wrong, we are able to talk about it instead of hedging and hiding. And it is very welcomed to see an expression of disappointment and working together to move forward on it, and we can do what we can from a board perspective to chase that along and provide Xavier with the resources he needs.

But I'm very encouraged by the ccNSO's approach as well. So thank you very much, Byron.

STEVE CROCKER:

Good. We may have taken this to the point that as far as we can go in this setting at this moment, unless you have another aspect.

LESLEY COWLEY:

No. Let's move on to something slightly easier, one would hope. The ccNSO is interested in the top priorities the board will give the new CEO, who I see is in the room, too, given the lengthy list of strategic priorities. What will be the initial top three tasks?

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STEVE CROCKER: I'm going to use a piece of jiu-jitsu. Fadi, you have been hanging around here for a long time now, two or three days.

[ Laughter ]

The question is what are the top priorities that the board is going to give you as if the board is organized and has gotten this far. I say that a bit tongue in cheek.

A word about the process that we've used. I have a relatively detailed multi-threaded spreadsheet with all kinds of plans in it. And huge amount of energy has gone into getting to where we are now of completing the process of recruiting and signing up Fadi and then the announcement process has many, many detailed steps.

There is further detailed planning on induction and training and interactions and tasking. But they're not as far along. Some of them are a little farther along.

So let me just take this question and use this moment to ask you, Fadi, quickly, what do you perceive the top -- the marching orders might be? And we'll leave it in sort of a subjunctive or tentative mode and then we can refine this, since you are not even fully on board.

What are the messages you are hearing? And that will serve the dual purpose of giving a reasonably useful answer to the question that we're being asked and setting us on a course for improving -- refining and tuning that dialogue.

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FADI CHEHADE: I think the key message I'm hearing is get to the office as soon as you can.

[ Laughter ]

I think it's too early for me to give you perceptions, not in a public forum like this. I'm not ready for that. I certainly would say I have had tremendous help from the board and from the staff to understand what the priorities are. And I'm in listening mode right now. I'm listening to the board. I'm listening to the staff. I'm certainly listening to the community.

I have been stopped everywhere from men's bathrooms to elevators to breakfast rooms to be told what's next.

There are some common themes I'm hearing. One of them, in my opinion, that is coming through loud and clear is the need to achieve a level of operational excellence that we do not have today. I will balance that by saying that I'm also hearing people ask us to do everything in the world -- someone mentioned 13 objectives and 20-some projects and having people everywhere in every little quartier in the world to represent ICANN. There is just so many demands on this organization. So part of this process is also to understand what are our priorities and to do them very, very well with tremendous excellence.

I said in my opening that we need to do things even much better than the commercial world does. We have a higher test here that we have to reach. So operational excellence is one of the three you're looking for that is the loudest I'm hearing.

And the second one that I'm hearing a lot is -- it's subtle, no one is saying it quite outright but I'm hearing quite a bit that we should communicate a lot better.

Somehow the communications -- maybe the formal process is there. People submit formal comments. People meet in rooms like this. But it seems like we are talking past each other in some cases. So I'm hearing that we should refine and improve the level of communications with all the SOs and ACs.

And the last thing I'm hearing from some constituencies, not all, is the deep need for a very high level of transparency across the board. That we need to be very transparent.

But, again, I will finish by saying, this is just right now -- it is all coming into a major bucket. I'm hearing everything. I want to hear more. I will be listening. I have several months of listening. I will use them to the advantage of ICANN and hopefully at the end of that, I will perform what really the community wants me to do and the board, of course, will direct me to do.

STEVE CROCKER:

Thank you. In my remarks yesterday morning, you heard me emphasize that additional to accountability and transparency that effectiveness was very important from my perspective. And I was very pleased to hear Fadi emphasize operational excellence, which to my ear -- maybe I was biased in the way I'm listening -- was a very fitting counterpart, so as far as I'm concerned we are on the same page.

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We are out of time. Bruce raised his hand and then I will turn things over to Lesley to close.

Bruce?

BRUCE TONKIN:

Thanks, Steve. Just to elaborate the process the board does use with respect to priorities for the role of the CEO, the board has a component of compensation that Steve mentioned in, I think, the briefings of Friday. But we have an at-risk component of compensation. And against that at-risk component, we put some priorities and objectives.

The objectives come out of the operating plan. So certainly there's nothing that would be asking the CEO to do that's not in the operating plan. But as you rightly point out, there are what you would refer to as top priorities. And we do that through weighting some of the objectives in the operating plan with respect to how the at-risk compensation is managed.

So the board will be talking about that partly tomorrow. And the compensation committee will be giving Akram specific priorities for the next three months. And I don't think there is a real issue in sharing those once we've agreed on them. And then naturally when Fadi comes on board, we'll be giving clear priorities for the, I guess, first nine months of his term taking through to the 30th of June.

So I just wanted to elaborate the process we use. And once the compensation committee has finalized those objectives and approved by the board, we can certainly share what those priorities are.

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LESLEY COWLEY: Thank you, Bruce. I think we understand it is about multi-tasking and focus at the same time.

I had comments from Rod and from Chris very briefly.

Rod?

CHRIS DISSPAIN: Rod is going to go after me, Lesley, if that's okay. There is a complete change of subject, and I will be very, very quick. Most of you know that the board is currently asking for input and comment on new gTLD batching and stuff. I know some of you, this matters to; some of you, it doesn't matter to. We don't have time to cover it now. But I would ask you -- all of you know my e-mail address. If you have any comments that you want to make, that you want the board to consider in respect to the batching process, lack of batching process, please send me a note as soon as you can. I will happily include it in the increasing pile of notes currently sitting in a small corner somewhere. So thanks very much, indeed.

ROD BECKSTROM: Just briefly, I want to say thank you to all of you and to recognize the significant growth and progress that you've made while I've been here at ICANN. More than 30 new members have joined the ccNSO in the last three years, and I just think that the legitimacy that you give the stakeholder model as well as just the reach and the services you provide, not only to your local customers but to the global Internet, is truly remarkable and valuable. And it's great to see this group growing under the strong leadership of the team here.

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And I also want to mention my gratitude for your having sponsored many of the events such as this here, sponsored by CZ.NIC or CZ.NIC, depending how you like to say it. Just A very gracious host.

The same has been true around the world. The upcoming Toronto meeting being hosted and organized by CIRA. It has been a great pleasure to work with all of you thank you very much.

LESLEY COWLEY:

Thank you, Rod. And as we've highlighted previously, we contribute in a number of ways including the meeting sponsorship.

We are running out of time. We are due back, and I know you have another schedule issue as well. I would just like to thank everybody for this engagement, and I look forward to continuing the conversations.

STEVE CROCKER:

Thank you, Lesley. Thank you, everybody.

[ Applause ]