

21 June 2011
Board Meeting with Commercial Stakeholder Group

ICANN - Singapore

Board Meeting with Commercial Stakeholder Group

21 June 2011

Live Scribing by Brewer & Darrenougue - www.quicktext.com

>>PETER DENGATE THRUSH: Ladies and gentlemen, could you take your seats. We are trying to run on time. We would like the chair, the CEO and the vice chair, and also leadership of the Commercial Stakeholder Group up here because this is a collaboration, not an inquisition. And as soon as we're seated we'll throw the floor open to questions.

Thank you.

>>PETER DENGATE THRUSH: And they all moved away from them on the group W bench.

"You can get anything you want at Alice's restaurant." Tonight is music night. We have to get ready. I hope there is a good crew from the CCSG.

Can we begin? Diane, why don't we start.

Is there anyone else from the leadership who is there? We're ready to go. Rod has just been called away but will come back.

>>DIANE SCHROEDER: Peter, can I note that we have the scribing and we need to have people identify themselves before they speak.

>>PETER DENGATE THRUSH: Usual rules. The scribes need to know who you are and we would like to know who you are so when you stand up to speak, could you identify yourself and your affiliation.

Thank you very much.

21 June 2011
Board Meeting with Commercial Stakeholder Group

Sorry. Just checking that the questions you sent to us were on the piece of paper, and they are.

The constituencies are keen to engage with the implementation of the ATRT and wish to discuss the way forward, the mechanics of engaging, timelines, priorities and initial thoughts.

So why don't we throw the floor open, Marilyn, to you and your crew.

What is it that we can help with there?

>>MARILYN CADE: And I am going to hand off to Tony who will be introducing that topic, I believe.

>>TONY HOLMES: I will try to help with this one, Peter, to put some little detail around that.

We're all aware of the step forward that ICANN made in terms of implementing the -- or in terms of looking at the ATRT report. And the 27 recommendations that emerge from that. We actually feel within this section of the ICANN community, the Commercial Stakeholder Group, that many of those recommendations will help us work within ICANN, help us improve ICANN, and that we have some significant contribution to make in terms of taking that forward.

What we're unclear of is how we can actually engage with that in terms of looking at the implementation plan, what the timelines are and what the opportunities for us to not only react but to offer some input on some of the broader issues around that.

And there seems to be a lack of clarity as to how we can actually work together to take that forward.

So what we're looking for here is some clarity that can help us point our discussions towards resolving some of those issues and actually helping you to help us.

>>PETER DENGATE THRUSH: Thanks, Tony. I am going to come back and ask you in a minute if there are any particular ones, because some of them are pretty obviously implementable, and we're getting on in implementing them without much discussion with anybody because they are so straightforward and they follow from community consultations that said you ought to do this. And so now we're doing it. And some of those, it doesn't seem necessary that we needed to have much consultation about the implementation steps.

21 June 2011
Board Meeting with Commercial Stakeholder Group

So if you could just get ready to tell us if there are any particular implementation ones that you think the implementation itself needs further community consultation.

But in general, the response is that the board has adopted all 27 of the recommendations from the ATRT, and said to staff please go away and do the appropriate costings and other work to implement this so we can do that.

And as another mechanical step, I can tell you that the resolution -- the recommendations have all been broken up into their various divisions, if you like, and allocated to the board committees responsible for oversight of those particular areas.

So the -- well, I don't need to give you the breakdown, but all the different board committees are working through that, and hopefully all that work is coming back to a series of resolutions that the board will hope to be moving this Friday on implementation.

Rod can perhaps give a bit more detail about the internal mechanics but I'm not so sure you are worried about that. I can tell you I think we are reasonably happy with the way that's going.

So, Tony, can I come back to you and sort of say are there any particular implementation issues that you are sort of feeling you need to be consulted or could help us with implementation detail?

>>TONY HOLMES: Certainly the issues which impact on the policy development process, there are issues around how they are going to be developed, what is the actual distinction between the issues that come down to the process, the issues which are more of an executive responsibility for staff.

All of those dynamics are things that we feel we can help with. The public comment periods is another one. And we're unclear as to how we can actually contribute and what the timelines are for us to actually do that.

>>PETER DENGATE THRUSH: Thomas.

>>THOMAS NARTEN: Yeah, so thanks.

Just a comment on the public comment part, because that's been delegated to the PPC, for example. We have seen sort of the draft proposal from staff on how to move forward and there are certainly steps in there that will involve consulting and reaching out to the community to make sure we get it right. But we're just not at that point yet and that's why we're not doing it now.

21 June 2011
Board Meeting with Commercial Stakeholder Group

So I can understand if you have no visibility into what's going on, you might have been having questions and worried.

Is that kind of what the concern is?

>>TONY HOLMES: That is exactly where we are coming from. They are the issues which we're struggling with. And just knowing that that is the situation is somewhat of a response, but we would like to have something more definitive to show that we can start our work within the constituencies to be ready to respond to that.

>>MARILYN CADE: Actually, I am going to make a perhaps slightly stronger point.

The changes in the public comment process -- not period, but process -- that move us to more of an APA like approach, which includes an initial and a reply round, are actually significant changes.

They are detailed changes, and they affect not just gTLD policy, which would be appropriate to flow through to the GNSO Council and into the constituencies, but they involve overall public comments about ICANN and what ICANN does in broader areas.

So I think, actually, Thomas, I think myself that this is the kind of change that has significant implementation challenges and significant implications, and it would be really important to involve stakeholders early, I think, in how to absorb and implement this kind of shift.

>>PETER DENGATE THRUSH: I agree. The board hasn't seen these either, so this is work going on inside the PPC. So, Thomas, presumably the PPC, when it's gone through its work, is going to come back, make some recommendations, and they will be put out for public comment in the usual way, and that will be the start of opportunity for the kind of involvement you seek, and which I think you very properly seek. It's obvious that people need to be consulted about this.

Is that the way you see it happening, Thomas, and come being out of the committee, coming to the board, producing something for consultation?

>>THOMAS NARTEN: Generally, yes. I have to be a limb careful here because I don't want to talk about details when I don't know quite what state they are in. On some of this stuff there is an internal draft that people are reviewing, and goes back to PPC. And I think even from the board perspective, this is on the agenda for Friday. So if the concern is we're supposed to do a bunch of this stuff by June and so, therefore, it's got to be done and, therefore, all this stuff is happening and it will all be revealed on the last day of June with no input from the community, that's not going to happen.

Some of the things we have run into, we simply cannot do them by June 31 because the reality is, for example, they involve changes to the Web pages; okay? And we're in the middle of doing a Web redesign right now, and that's a gating factor.

So I hear you. I agree with you completely. I wish more of this was visible publicly at this point. I think it would have been helpful, and we need to sort of figure out how to do that. But I think more of this will be clear by Friday.

>>PETER DENGATE THRUSH: The irony of completing work would be lost on anybody, I'm sure.

Denise, are you able to help at all?

Denise is the senior staff sort of honchoing this project across all of the board committees. I am just looking really, Denise, for confirmation, I suppose, that intention is the usual one. The committee will do some work, there will be recommendations, they will be put out for public comment and then feedback taken into account.

>>DENISE MICHEL: Yes, I can confirm that. Tony Holmes, who is coordinating this meeting, has an e-mail that also validates that.

All of the proposed implementation plans to date, all of the work under way, all of that can be found on the account and transparency Web page, and the implementation plans for a number of the recommendations already propose public and community consultation. So I highlighted a few of those that you can certainly anticipate being asked for your opinion on, such as the translation guidelines, the revamping of the public forum Web page, the experts' recommendation on reconsideration of board's decisions. So there will be a number of items that we'll be asking for consultation and input on.

>>PETER DENGATE THRUSH: Great. Is that sufficient, Tony? I think that's sort of asked and answered or was there more?

>>TONY HOLMES: Denise made the point that we have spoken on this, and certainly the information that she supplied back to me was incredibly helpful.

It would be additionally helpful if there could be a more visible announcement of some of the timelines around those consultants -- consultation opportunities in terms of prioritizing in what order they are going to come and how quickly you want a response from us.

We would like to gear ourselves up within the constituencies to be in a position where we are ready to respond pretty rapidly. It's going to take us a while on some

21 June 2011
Board Meeting with Commercial Stakeholder Group

of them to compile our response as well. So the more guidance you can give us on that and the early warning, the better, Peter.

>>PETER DENGATE THRUSH: Okay. I see Thomas is making notes, and I'm sure that the PPC is pretty much aware of need and the benefit of getting the timelines on the consultations out as soon as possible.

I guess what we will also be looking for -- there is quite a lot of pressure from the ATRT that put timelines into some of these recommendations.

>>TONY HOLMES: Would it be helpful for you if we were to come back to you with some more detailed information of the areas we think we would like to contribute back on in terms of this? Or you mentioned that some of these are not going to get resolved by Friday. Just working together on some of the ones which have rolled on would be helpful.

>>ROD BECKSTROM: Tony, I think it's an excellent line of inquiry, and if I can summarize what I am hearing. First, as Marilyn said there is just the significant detailed changes suggested in the ATRT recommendations that could really change the process and you are concerned about those or you have an interest in making sure those are done right and you wanted to get more visibility to get in sync with the opportunity to input in the process. Completely valid request, and I'll work with Denise and the team to make sure we work on timelines that can be published that you can consider so that you're able to put that into your work plans.

>>PETER DENGATE THRUSH: And something from Rita.

>>RITA RODIN JOHNSTON: Thanks, Peter.

I think that Tony's suggestion also of giving a list of what might be helpful is a good thing, just in general across the different SOs here.

You know, there's so much stuff now that floats around and every constituency is so busy and we heard about prioritization and work flow. I am a big proponent, and it's good that I am getting off the board, it doesn't matter now, but I am a huge proponent of having the bottom-up also mean what do you guys think is critical in these processes and give us feedback as opposed to us trying to take these comments in these fairly informal constituency meetings and work with those.

So I think that's a great idea, Tony, and I think we should do this across, Rod, all the constituencies. If there is this ATRT page that constituencies think there is opportunity for input, we can ask are there things you guys care about in trying to organize meetings around and make sure everybody gets their input. And you guys can also manage your workload accordingly because this is one of many things.

21 June 2011
Board Meeting with Commercial Stakeholder Group

>>PETER DENGATE THRUSH: Excellent session. Final word, Thomas?

>>THOMAS NARTEN: Just speaking personally. The suggestion that you sort of come to us with areas where you think we can work together, I am much more a proponent of everybody sharing information before everybody go off and do a bunch of work, when they are working kind of ships in the night.

What I would turn back to Denise is at what point are we going to be able to go to the community and say here is what we are doing, here kind of a rough outline of where we are sitting so people can get an idea of where we are coming from and then react to it. Because I'm not sure it's helpful for two groups to be doing work independently without kind of knowing what was actually going on because you end up duplicating work. And in terms of prioritizing and focusing on where it makes sense, it's usually much better to react to a proposal, react to an update than to operate in the dark.

So again, I think there's going to be more visibility on Friday because I believe this is on the board's agenda for formal action, but I'm not sure whether that will satisfy the level of detail that they are looking for in order to understand, like, are we going to be consulted or do we need to say we should be consulted on this because we believe it's important.

>>DENISE MICHEL: Right. So 27 recommendations, and additional subrecommendations. So this really spans a number of board committees and a number of areas. But the implementation plans, many of them include, as one of the steps in their timeline, public consultation.

So there's that. I think it would be helpful to discuss this, I know it's on the agenda for the board workshop and to discuss how each of the board committees that are assigned responsibility for oversight and management, how to make sure we do this in a coordinated way and in a way that it's easy for the community to respond.

Does that answer your question?

>>PETER DENGATE THRUSH: Bruce.

>>BRUCE TONKIN: Yeah, just to provide some information on the Board Governance Committee, which I'm chair of and which probably has about half of the recommendations, I suspect, on its plate.

What we've done is divided them into three categories. One category is work we have actually already done, so essentially agree and ticking it off as done. The second category is activities that we agree and we're going to incorporate in our standard operating procedure, so it could be the fact that we post materials in advance of a meeting or something like that. That would be basically at the end of

21 June 2011
Board Meeting with Commercial Stakeholder Group

the week we'd agree to that recommendation and note that we're incorporating that into our standard practices.

The third category, items that require some significant work. And for each of the recommendations in the Board Governance Committee, we are identifying a topic lead in the same way that we did for new gTLDs, so there will be one member of the governance committee that will be the topic lead for that topic, and there will also be a staff person identified for that particular topic. And then you'll -- so I'm hoping we can be transparent on who those people are.

So if you're interested in a particular topic, then you might approach them. But certainly as Denise says, for something major -- and I will give an example -- would be the review of our accountability frameworks. So that's a pretty major topic.

So one of the first things is finding the right body, if you like, to advise us or to review our practices, so that's the first step. And then the second step, obviously, would be whatever comes back from those recommendations would go out for public comment. And that program is probably a 12-month program. So we've got stuff that's done and stuff that's probably a 12-month program that would involve the community.

>>TONY HOLMES: Just to respond to that, Bruce. What we don't want to get into is any overlap with stuff that you are running with that we're going to start looking at.

So that information, as to what's on the future hit list would be incredibly helpful and we can focus on those.

>>BRUCE TONKIN: Hopefully that will come out on Friday. It's A just timing thing. So by Friday we should be able to articulate where the board is on those recommendations and some degree of next steps.

>>TONY HOLMES: Okay. So just to clarify. From our perspective, if we look what the comes out on Friday, that should give us the information that we can then come back to you and have the dialogue as to how we can interact with that and what is the best way to do that.

>>BRUCE TONKIN: Yeah. I think it would mainly indicate you should have the dialogue with, hopefully.

>>TONY HOLMES: That would be --

>>BRUCE TONKIN: I'm not sure you are going to get answers to some of the more complicated questions. It's really saying these are some programs of work we need to commence.

21 June 2011
Board Meeting with Commercial Stakeholder Group

>>TONY HOLMES: But even that's a step forward from before we came in here, so thank you.

>>PETER DENGATE THRUSH: In the interest of time can we move to the next topic which is about budget and operational issues, how the proposed budget and operational plan will assist the CSG constituencies in meeting their goal of ensuring effective stakeholder participation. So what does that really mean? What's the question behind that question?

>>STEVE METALITZ: This is Steve Metalitz of the Intellectual Property Constituency. What we would like to do, we have some concerns about the budget and operating plan from the standpoint of process, and then we have a couple of substantive issues.

So I would like to yield to Chris Chaplow from the business constituency to address the process issues, and then we will get back to substance.

>>CHRIS CHAPLOW: Thank you. My name is Chris Chaplow, vice chair of finance and operations for the business constituency.

Going back to last year at Brussels, we saw the draft budget approved into the actual budget with no alterations at all and that led many members of the community to wonder what was the point in all the public comments and going to the mic and everything.

Luckily, I am relatively new to this so I happily took on FY12 still sort of enthusiastic. And I burnt the midnight oil here in Singapore last Friday night and posted our public comments at 3:00 local time, three hours ahead of the midnight UTC deadline.

Now, the Board Finance Committee, good luck to the meta data clock Saturday morning well, done. I was horizontal at that time, but anyway.

I know Rod has got some great staff, but two hours between closing of the public forum and opening -- and the Board Finance Committee reading all those comments does lead me to wonder were the community comments taken fully into account.

So, obviously, as a positive, as an action point, what we're saying here is shift that timeline forward, so there's no doubt about that.

>>ROD BECKSTROM: Chris, I think that's obviously a good suggestion we should look at in the planning process for this year. Hard to argue with that clear logic.

>>CHRIS CHAPLOW: Good. Thank you.

21 June 2011
Board Meeting with Commercial Stakeholder Group

The other one is, I sometimes wonder what country we are in. Are we in Bulgaria or are we in Sri Lanka because in FY11 we have some more detail in the budget, and the board and everybody nodded yes. And I am wondering when they nodded yes did they really mean no, no, no.

Because laying the two side by side, FY12 has less detail than FY11.

Just as an example, just taking the financials, and I am talking just for a second about the non-new gTLD side of things. That's what I focus on. Steve will talk about the others in a second.

The operating expenses are broken down into 15 organizational activities on page 10. There's no subset -- no subsections and no financials given in the text. There's five projects with financials declared against them that don't align to the 15 sections.

Alternatively, in the same document, in the FY12 budget on page 34, there's nine main sections. Only five are divided into subsections, and one is divided into a subsubsection.

So at the public meeting in Brussels, I know Kevin Wilson was boasting to everybody that the document was 83 pages long, but it's not about that, is it? That's a copy of the document. To help everybody, and I've got copies of this, this is the sum entirety of all the financials of the ICANN operating spend in the FY12 budget. It fits onto one sheet of paper.

So it's not about words. It's about numbers.

Now, I want to be positive about this. I don't want to moan, as I have done. And, you know, yesterday I sat in the new gTLD presentation, and Karen was just winding up and it was quite sweet what she was saying. She was saying thanks for the public comments. She was being quite genuine and she said it's a great help to have all these great minds helping us with which project we are trying to do.

And actually, she said, "I used to look forward to reading the public comments."

So the message that's coming from this is, give us more detail, let's hope for a lucky FY13 so that we, the community, can help ICANN.

Thank you.

>>PETER DENGATE THRUSH: Thanks, Chris.

Just to acknowledge that Ramaraj is here as the chair of the Board Finance Committee, and obviously Akram is here.

21 June 2011
Board Meeting with Commercial Stakeholder Group

Bruce, do you want a quick response?

>>BRUCE TONKIN: Yeah, I guess using words like "more detail" is very subjective. So someone might say more detail is I've added 15 more pages of text. So one person can say that's more detail. You are looking at numbers; you are saying that's not more detail.

So why don't you be a little clearer, perhaps. Maybe even send us a template of what you would like to see in terms of detail. But from my point of view, I look at it in terms of materiality. So you're looking at a budget, let's say it's of the order 50 million. So 10% of that is 5 million, and then 5% of that would be two and a half million. So normally a board would be looking at stuff that's around about the sort of the 5 to 10% mark in terms of what are the major programs and how much are they costing.

I heard you in a meeting yesterday talk about an expense of 20,000. That's not a board issue, but it obviously could be an issue for a particular project you are trying to implement. Maybe an outreach program.

So I think we just need to be a little clear on are we getting into, on the board level, micro management. But at your level you might have some specific things you need certainty over for you to execute on your plan as a stakeholder group or business constituency. And that would more be a program budget, and so the program budget for you might be a \$2 million program, and 10% of that might be \$200,000. Or you might be talking about a \$200,000 program for your work and you're worried about the \$20,000 element.

So it's really kind of breaking it down. I don't know, Steve and others, sort of at a board level we're looking at what's material for the organization.

But you might have some projects that you want implemented. And at the project level you need a report from the staff or from the finance function that says for that project, what are the major items and how are they being spent.

>>PETER DENGATE THRUSH: Are you going to contribute to this or is it a different point?

Let's just see if Chris can respond to Bruce.

>>CHRIS CHAPLOW: Certainly. It's obviously a question of degree, and I'm not suggesting for a moment that we should have in the budget how much we're going to spend on stationery. But we're very, very left of center here with what we have got in the budget with 30 items.

21 June 2011
Board Meeting with Commercial Stakeholder Group

And we're not even down to project level. So in the framework plan, there's that famous page that says 11 project -- we have the core activities and project activities. There's 11 project activities that we know have 1.1 million against them, but they don't align -- that information isn't even in the draft budget so we don't know how much is against each project so how can we give priorities? How can we say we think we should spend more on this one and less on this one? They are just names.

>>PETER DENGATE THRUSH: Okay.

>> (Off microphone).

>>PETER DENGATE THRUSH: Mikey.

>>MIKE O'CONNOR: Mikey O'Connor, worst dressed member of the B.C. and co-chair of the DSSA working group.

By way of example, one of the items in the budget that's called out is called SSR. It's got a great big number beside it. I don't know, seven and a half million or something like that. And one of the line items under that is the DSSA project.

So I said, cool, I am one of the co-chairs. How much money is in that sub-item? There isn't a number there.

Well, I think at least that level of detail would be handy, because as an essentially project manager for you, it's nice to know what resources are available to me as project manager so that I can plan the work.

That's the kind of stuff Chris is getting at. We are not after \$20,000 line items here. We are after something less -- you know, more granular than seven and a half million dollars with no subdetails for major projects like DSSA.

>>BRUCE TONKIN: You are looking at a project.

>>MIKE O'CONNOR: Yeah. And the sense I get is ICANN's financials -- I was a controller of a two and a half billion dollar university so I kind of know my way around the numbers. My sense is ICANN is being run off a general ledger right now and what you need is a budgeting system and it's my understanding that's in the queue.

So one of the things that I think would be really cool is to get that queue bumped up, to get that system in place as soon as possible.

>>PETER DENGATE THRUSH: Well, let's ask the Finance Committee where we are at with the new software. And is that going to help the problem, Ram, or is it that we

21 June 2011
Board Meeting with Commercial Stakeholder Group

need spending time getting off running the system off a general ledger and building a different chart of accounts?

>>RAMARAJ: Actually, we have been using the old software that has been in use for some time and ICANN is very small and a very small budget. It's almost like running it off a general ledger. And staff have gone out of the way to try to extract information from that system so far.

They told me last year that staff have taken this decision, have identified a good software, off the shelf, that is being implemented now. And with that, we are hoping that there will be greater visibility and greater detail, as to the kind of numbers and detail that's being asked for in the community, and also to report back on the spend against these budgets, both of which is what is being proposed going forward. And that, hopefully, will be implemented early into the new financial year.

>>PETER DENGATE THRUSH: Thanks, Ramaraj. Can I just shift the discussion slightly out of what should be a discussion out of good accounting and whether we've got it or not and what the question I thought was directed at, which is the reason why we want good accounting. And that's to increase ensuring effective stakeholder participation in the policy development process. So is there actually any impact on the policy development process on your ability to enterprise and your ability to attract volunteers -- and in terms of the core issues of getting work done, what's the impact on having, if you like, a less than perfect accounting system?

Is this a debate between economists and accountants on how the accounts should be run?

What's the practical impact of the cold face?

>>STEVE METALITZ: If I may, Peter, Steve Metalitz with the IPC. I think that's part of the question. But I don't want to give the question that we're here simply asking to you spend money on us. And I think Bruce's comments may have given that impression. This is not about projects for us. This is about our views of what should be the spending priorities of the organization. And we thought that was what we were asked to provide in the public comment period, for example.

And so, to give an example of that and one you won't be surprised to hear us raise is contract compliance, which we think is important not because it's spending on us, but because it really goes to the validity and the demonstrability of the multistakeholder model. If there's going to be a successful system in which contract is substituted for regulation, you have to enforce those contracts.

And we have also said many, many times, that this challenge is going to be exponentially increased with the advent of the new gTLD program, 25-fold, at least, increase in the number of contracts to be enforced and many other considerations.

So we were very concerned to see in Chapter 7 of the budget, which the board approved yesterday, I guess, that there is zero allocated for contract compliance upgrading for the new gTLD launch. We understand that in the non-new gTLD budget, there's a 25% increase which we think is very commendable and important. We really support that.

But we also know this is going to be a huge challenge for the organization and for the multistakeholder model. It's also a question of whether the cost -- I know the board is sensitive to this issue. Are the costs of the new gTLD launch going to be externalized, or is ICANN going to take care of dealing with the compliance costs?

So we saw that there was no provision for that. And we also saw that, in table 7.2 of the budget, showing an \$18 million surplus to be generated by the new gTLD program -- and that's exclusive of recovering historical costs. That's exclusive of the reserve for FY13 processing. And that's exclusive of the risk fund, the \$30 million set aside for risk. So there were 18 million in that budget. We know the budget that was presented to the finance committee was 9 million. So I'm not going to argue about those numbers. But we strongly urge that one-third of that amount should be set aside for contract compliance activities for the new gTLD launch. And we know that there won't be any contracts to enforce during FY12. But we also know that, you know, probably the most serious traffic problem in the world is people merging onto freeways. And to go from zero to 100 kilometers an hour overnight, which is what I think this budget calls for in FY13 in terms of contract compliance, we think that invites a car wreck. It doesn't invite a system that's really going to carry out this important function. So we would be interested to know what the board finance committee thinks and what the board thinks of our proposal to take one-third of the projected surplus that will be generated by the new gTLD launch and allocate it to contract compliance activities in preparation for the new gTLD launch. Thank you.

>>PETER DENGATE THRUSH: Well, can I just make a lawyer's argument with you, Steve. As a lawyer, you won't mind. I don't think compliance is actually -- and its performance is a testament or not to the multistakeholder model. It affects the self-regulatory part of the model, and that's the important part. Doesn't matter when you're multistakeholder or not. It's the self-regulatoriness of the --

>>STEVE METALITZ: I would agree with that. It's going to be self-regulating and private sector led. This is going to be a big test of the organization.

>>PETER DENGATE THRUSH: Of the self-regulation. With that minor definitional discussion, let's come back to the finance committee. I don't think the board has heard this proposal yet, but perhaps it's been discussed in the finance committee.

>>RAMARAJ: So what you saw in the document section 7 and 7.2 is partly budget and partly cash flow. What is the surplus that you saw there is actually being

carried forward to meet expenses in the next year. And, therefore, the whole project is on a cost neutral basis. And there is no surplus being generated out of that set of budget numbers. So it got confused with a cash flow number. And, actually, that -- so what you're trying to do is create now on two levels, for regular ICANN budget, a 3-year view so that we get to see what's happening going forward and for the new gTLD also a similar kind of steady state focused as to what will happen. So there's a 3-year view that is being worked on that will help us understand some of these numbers a little better when we get to see it. So there is, unfortunately, no surplus from which we can allocate anything.

I take your point on the compliance and should start investing in it earlier. What we've done is FY12, as you saw, there's been a significant increase. It's also been moved to legal in terms of reporting relationship. It's now John Jeffrey's team that is looking at it. And we thought that the ramping up of compliance for new gTLD should happen slightly further down. And that's why it's not yet reflected there. We thought it would be in the FY13 budget.

>>PETER DENGATE THRUSH: I see a couple of other committee members wanting to jump in. Rita, who is chair of the audit committee. Rita.

>>RITA RODIN JOHNSTON: Thank you, Peter. Steve, I agree with you. The audit committee actually has as parts of its best practices interviewed senior staff want a meeting. And we had a meeting with John Jeffrey yesterday. And we asked this exact question about compliance. And he had a very detailed response. There's just been a new hire. As the function got moved under his auspices, there's been some more beefing up in terms of direct reports.

I specifically asked the question about contracts. Is John here, and he can maybe give a brief overview? I agree, Steve. This has been a concern we've heard from the community. We can't go from zero to 100. I don't think the organization has any clue how complex this is going to be. And we really need to plan before the rush, as opposed to finding ourselves floundering. That the audit committee, actually, was satisfied this is well under way. Perhaps we can get an update for the group here.

>>PETER DENGATE THRUSH: Perhaps Akram can help in terms of preparation for the rush.

>>AKRAM ATALLAH: Sure. So I just want to mention that, if you look at the budget for compliance in FY12, there's a 25% increase, roughly, in terms of expenses. And that's, basically, to staff up on the compliance team. Then in FY13, there will be another increase due to the new gTLD coming online probably toward the end of FY13, not early in FY13. So we still have a lot of time in FY13 to actually ramp up more compliance. We did a study -- not a study. But we asked all of the staff, all of the different sections of the staff to put the requirements based on the number of applications that we will get. So we did 100, 500, 1,000 applications. And we asked

21 June 2011
Board Meeting with Commercial Stakeholder Group

all the groups to highlight the needs of the growth to be able to process these kind of applications. And, based on that, we made sure that the FY12 budget, in addition to the current increases in the main budget, there is increases in the budget for the staff to support the application both of the new gTLD in FY12, and then we plan on additional resources for FY13 as well.

So we are aware of the concerns, and we've built this bottom-up process from all of the different groups to know their needs and make sure we plan for it accordingly.

>>PETER DENGATE THRUSH: Thanks, Akram. And Bertrand de La Chapelle.

>>BERTRAND DE LA CHAPELLE: Thank you, Peter. Just a brief comment to make a distinction between two things that I've heard. When Chris and Steve are speaking, they mostly address the level of detail that is needed for the community input and the evaluation of priorities. That's point one.

What Mike was addressing is a slightly different issue, which I think deserves attention as well, which is this organization has a characteristic that is unlike any other. Is that in normal budgeting practices in an organization, be it a company or a nonprofit, you basically budget for the expenses of your staff, only. Here we have a structure where a part of the activity is not done by staff alone but also by volunteer groups that need budgets for various things. And what the leaders of some of those activities need is not so much an accounting thing but a visibility on what is the budget that is going to be allocated to the activity they run?

So it's a sort of planning tool, which is slightly different. And I just wanted to highlight the distinction, because both are needed. And I think it would be very useful for the community, in general, to have also this element, which is not very detailed, but that allows every topic leader in a certain way to know exactly what kind of resources it can get.

>>PETER DENGATE THRUSH: Ron Andruff. Thanks, Ron.

>>RON ANDRUFF: Thank you very much. Peter. Ron Andruff, we were talking about the future and how we're going to ramp up for compliance. And we've all had a long dialogue about that over the last couple years. There was an element of current circumstance for compliance. And there was discussion about whether or not the compliance department would have the automated tools to be able to enforce compliance today. Has money been put aside for that? Where do we stand?

Have we upgraded those tools? And can compliance meet the current needs, or where do we stand on that?

Thank you.

21 June 2011

Board Meeting with Commercial Stakeholder Group

>>AKRAM ATALLAH: So, based on what we mentioned earlier, there has been additional staff allocated in FY11 for compliance. And we added two more people, including a director of compliance in this year. There will be additional headcount added for next year. The current team -- as well as allocated budget for development of tools. The current team is looking at the tools that they need. They're reviewing the entire, you know, process of how do we do compliance?

What is the higher priority? And how do we actually get things done more efficiently? And from that exercise will come out the requirements for tools and additional people.

Now, we have to remember also that, when we do a budget, a budget is what it says. It's forecast for expenses. When we have a project, for example, it is important that we put the budget for that project. It's also important that we don't disclose that budget. Because, when you're negotiating with a contractor, if they know exactly what is the budget, you lose any negotiating power. So you want to be able to be careful on what you disclose and we don't disclose until at least some of the contracts are signed and agreed upon. So I want to mention that visibility is very good, but also at what time do you make it visible. So --

>>PETER DENGATE THRUSH: Okay. We need to move on on this. I think I've got Jonathan at the back and perhaps Bruce at the front. And then, if we can move to the next topic, which is the role of the GAC in policy making, which I'm sure will be an interesting debate. Jonathan.

>>JONATHAN ZUCK: Yes, Jonathan Zuck, member of the IPC. I've raised this issue a couple times before. But I am a little concerned about what seems to be the habit of this organization that the objective that's set for a particular department is to spend a certain amount of money. And then, at the end of the year it's gauged the success because that amount of money was spent. And I think that's not really an ideal measure of success, particularly in the area of compliance. So, in addition to new software and new people and new money being spent, I'd really like to underline the need to specify what gets measured within the compliance department and the kinds of facts that get reported to the community so that we can get a much better sense of how things are going in the compliance department. Because right now the numbers we get are really virtually meaningless from the standpoint of us understanding how compliance is actually going.

>>PETER DENGATE THRUSH: Thanks, Jonathan. You want to respond. Okay?

>>AKRAM ATALLAH: Yes, I appreciate that. That was the first goal we set for the new team is to set out the metrics we want to be measured by and make sure these are metrics accepted by the community and, therefore -- and repeatable so that we can show improvements instead of just showing money spent and number of people looking at compliance or even number of contracts that we are reviewing.

So we want to make sure that compliance metrics are first put in there before we come out with what the solutions are.

>>JONATHAN ZUCK: Look forward to it.

>>PETER DENGATE THRUSH: Bruce, any last comments on this? Or can we move to the GAC and its role in policy making?

>>BRUCE TONKIN: I think my last comment is probably re-enforcing what Ron just said. I think we need to be clear on -- for the particular compliance project and part of our strategic plans things, we should have clear objectives and measures. And that's the starting point where we need to make sure we have alignment with what Steve's team is looking at. And then we make sure we have enough resources to achieve those metrics. And then, if we don't, certainly, we can be looking at front loading those with resources from our reserve fund. All those things are options. But the key is to start with do we have the right objectives and measures for that program and are we actually executing?

>>PETER DENGATE THRUSH: Okay. Let's move to the question about the role of the GAC. And, again, I'm not sure what the question really is here. The role of the GAC at one level is prescribed in the bylaws. We've seen the operation of that in relation to the new gTLD discussion. Is there -- again, what's the question behind this question?

>>MARILYN CADE: Thank you, Peter. Marilyn Cade. So let me reframe the question. And then I will be asking for some of the members of the constituencies to elaborate. All of you know, because we interact with you as often and in as much detail as we can, that the members of these three constituencies represent large and small businesses with a global reach, law firms, ISPs. Our daily lives are spent in the larger Internet ecosystem in interacting with others from business and with governments at both the national level and in other settings where governments come together.

We are very aware of the challenges that ICANN faces in that ecosystem. And we're also aware of the very important role that ICANN plays. So our topic, I think, is more looking at the Internet ecosystem and the challenges and issues that ICANN faces, how can we improve and deepen the contribution we make to ensuring that ICANN's success -- that ICANN is successful, both externally and then we can import and export the improved interactions between governments, as they work inside ICANN and outside where they may take decisions that may influence ICANN.

And I'd like to ask Eric Loeb, who is with AT&T, but in this case is really speaking in his leadership role from ICC to elaborate on that.

21 June 2011
Board Meeting with Commercial Stakeholder Group

>>ERIC LOEB: Thanks, Marilyn. Eric Loeb, AT&T also chairing the ICC task force on Internet and telecom. And the point Marilyn raised is really one of emphasis that the board is already aware of and just needs to fully internalize. The evolving focus of the GAC governments in general on what ICANN does runs in parallel with the centrality of the Internet to economies and societies. So the trajectory is only in one direction. The success of the Internet, the success of ICANN can only mean a more central focus of government and their core functions.

And it's a simple point here, really. The interactions with the gTLD process are not an aberration, but it is a reflection of the focus from here on out. And the success of ICANN is going to require a very strategic focus on not just the formal engagements but the informal engagements as well to respect what the interests of the government are, but also to understand the red lines and to work very closely with them, very actively with them.

And so this is just a point of emphasis of what is already obvious to many. But it is the trajectory. And so the success just requires a new type of focus on those relationships, how to manage them well and proactively and to anticipate what is going to come into these meetings and keep the open back channels going along the way.

>>PETER DENGATE THRUSH: Okay. Well, let's see. Let's discuss that with Ray and then go to Erika.

>>RAY PLZAK: Speaking as co-chair of the board/GAC working group, which was chartered in response to the President's report on improving the GAC and its relationship, particularly with the board, for the past year and a half or so we've been meeting. And some of the work has been slowed down because of the gTLD process. But I'm happy to report that we have concluded our work and the report should be forthcoming. But a lot of time and emphasis was spent on the particular focus area of the relationship with the GAC, not only to the board but, more importantly, to the rest of the organizations. How does the GAC get into -- get its -- not necessarily advice but perspectives into the policy processes at an earlier period of time? What are the things they can do?

The discussion also focused on areas such as the efficacy of liaisons and if there are other ways that these things can be done.

There is also a section that spent considerable time talking about what really constitutes GAC advice.

So I would say that the short answer is read the report. But the proof in the pudding is going to become in the manner in which we implement all of those recommendations. So I think there's a good starting point between the report of this working group and also the effort that's undergoing to more formalize or

document, I should say, is probably a better term, the consultation process between the board and the GAC.

>>PETER DENGATE THRUSH: Thanks, Ray. We're looking forward to getting that report. And also, of course, there's a number of groups that have been tasked with implementing the ATRT recommendations in relation to the board and GAC relationship. I've got Erika, and then we'll come to Bertrand.

>>Peter, very quickly, the report is also annotated to where those recommendations apply to the AT&T recommendations.

>>PETER DENGATE THRUSH: I'm sure that's going to be very helpful. Erika?

>>ERIKA MANN: Eric, I think your point was head on. I mean, you're absolutely right. It would be very important that we get this relationship with the GAC right. Now, it is not so easy. And your support, actually, from the business community will be critical. Because you reach out to governments all over the world, many global companies which are very helpful, because you're not just talking to a single government, but you talk to many governments. And you are part of the international organization institutional framework as well. So you're part of the trade around and you're part of many rounds. So your support is very critical and your voice. So I hope we can build, you know, an understanding between us. Because we will support each other. And we need to understand, actually, where the GAC wants to go. Because I think the GAC is, to some degree, uncertain. They have to define their own style and their own processes. And the way we operate as ICANN, it's not natural to them. I mean, they have a different -- traditionally different for international frameworks the way they operate. So I see two challenges, and I really hope we can work together there. One is the natural clash between a global -- a truly global and not international, but truly global Internet ecosystem, which clashes automatically with national laws, to some degrees.

Now, this is something one can bridge. And I see many ways of doing this. And we have examples how to do it. But it's something where we need coherence and where we need to work together to understand better, you know, what we can do to anticipate, as you said, Eric and Marilyn, to anticipate the GAC's natural response and how we can work with them.

The second point I see is the negotiating style, which will be very important. Because governments negotiate in a different way than we do in this community.

So it will be very important that we capture and work with GAC, you know, to find a style, how we can negotiate effectively. Because, otherwise, we will be stuck in this process, you know, where they have to go back, you know, to their headquarters. And then they come back to us. And it's not the way -- at least at a certain stage, where we have to have a more intensive and effective way of negotiating.

But that's something we have to work out. I'm very hopeful that it can be done. I'm not -- I mean, not pessimistic at all. But it will be important. And then, as Ray said, what is actually in that advice, what is the character of that advice? And, there again, it will be very important to have your input and to work with GAC and to work, actually, with governments as well to get this really right. Because, otherwise, we will face clashes again and again and again. And this is not helpful. We should really try to avoid this as much as we can, because it will be a huge disturbance otherwise for our whole process.

>>PETER DENGATE THRUSH: Thanks, Erika. Just a quick comment. I think we may have already seen a negotiation style change in the GAC in the reaction yesterday where we had a respectful approach or willingness to answer our questions and a full appreciation of the advisory role of the GAC. I think all of that was demonstrated by one or two of the speakers. So that's intended to be a joke.

Bertrand. Someone who, obviously, was a long time member of the GAC, I'm sure, will be able to help.

>>BERTRAND DE LA CHAPELLE: Yeah. I think it's a very important moment in the evolution of the relationship between -- or role of the GAC and the importance of the relationship between government representatives in the ICANN environment. There is a different negotiating process. There is a different policy making process in the ICANN space. And the whole gTLD program has actually deeply transformed the way the GAC interacts with the rest of the community. In many positive ways, I think, that I don't need to get into details.

And, in particular, regarding the relationship between the board and the GAC, instead of a relationship that was relatively distant, there's now something that is, basically, a respect without submission, which is a very important element.

The second point I want to make is that, as was evidently made clear in the interaction the day before yesterday, on the new gTLD program, we have a competition issue on trademark and on other things. We're touching the meeting point between the definition of a global public interest and compatibility with national frameworks. And this is a problem that will not go away, because this is core of the debate and the mission that this organization has. Respecting the existing national frameworks, but at the same time making sure that the roles are sufficiently unified and fair at a global level to be interoperable.

A note of caution, though -- and we're among friends. We know each other. I want to highlight one point that has troubled me a little bit. When a part of this community, especially within the GNSO community, has participated in the elaboration of a certain number of compromises and rules regarding certain regimes -- I don't get into details -- it was a bit troubling for the board, and at least

21 June 2011
Board Meeting with Commercial Stakeholder Group

for me, to see that the same issues that reached a certain level of compromise were actually reactivated through the GAC to get just an even better position. I don't have to detail. You know what I mean. Be careful for what you wish for.

If you don't want to have governments strengthening too much their role within the organization, you have to be careful not to use them to push some of your interests. That's a balance. That is a delicate one.

To close this, I think the whole gTLD program has been a stress test, as I said yesterday, that went in a good direction. One example of a convergence that I didn't expect is the fact that people who would have initially taken very different views regarding the role of the GAC in this organization are actually converging. I take two people, Suzanne Sene and Milton Mueller. Milton Mueller has made a post that blew my mind away, because he actually is saying now that government should be treated as other stakeholders very early in the processes, which is complete opposite position from what he had before which was keep them as far away as possible.

And likewise, Suzanne Sene in private discussions, but I don't think she would object my quoting it here, when we had the joint working group with the GAC, was actually expressing the interest of GAC members to get much earlier in the process. Whereas my experience two years ago was that the GAC members were saying, no, no, we're talking just to the board and we should not engage in the processes.

So I see a deep convergence, and I want to finish with that, a deep convergence between the two extremes somehow towards a desire to have this kind of cross-community interaction, which bores into the other problem which we addressed in the GNSO-board discussion, which is what do we do for those cross-constituency groups. But I don't want to open that here. I just wanted to show the positive trend.

>>PETER DENGATE THRUSH: Okay. Marilyn has a quick reply on that particular point and I have a speaking order of three and that will finish the time.

>>MARILYN CADE: I think I need to be really clear on what we are talking about and to thank all of you for your comments, but to take it back a little bit.

In addition to everything you have said, please remember that I said at the beginning in introducing the restatement of this challenge that ICANN lives and exists and will survive in the larger Internet ecosystem.

So what we do here -- and that what we do here will be imported and exported; okay?

So there are threats and risks to ICANN outside of what we do here about the DNS. And so I don't want us to just think that it is about gTLD policy decisions. Even though the stress test may have been and we may have learned a lot and we maybe

21 June 2011
Board Meeting with Commercial Stakeholder Group

able to improve our interaction more broadly, when I helped to create ICANN, we very carefully wrote the words "an active, informed, participatory advisory group."

If we cannot engage the governments here and continue to build their participation here, they will be lured elsewhere, and we may find that the very core activities that we indeed to be successful here can be threatened elsewhere.

So it's not just about gTLD policy. And I think that's a very key point, particularly because those of us who are here -- and I saw Jeff Brueggeman come in and I think he may have a comment, Peter. Those of us here work in those other systems, not necessarily about the DNS but on topics that can affect our success. And so do many of those governments.

>>PETER DENGATE THRUSH: Okay. Let's go to Philip Sheppard.

>>PHILIP SHEPPARD: Philip Sheppard from the business constituency.

I think as Bertrand said, what was very interesting about the TLD process was the considerable increase in terms of engagement of the GAC. One of the concerns I have is that because there were certain things that the board heard but finally decided not to take advice on may be seen by the GAC as a loss, whereas I think, in fact, on some of the key issues, as Rod had pointed out during those discussions, both the board and the GAC were pursuing precisely the same objective. Particularly on the trademark use issue and, indeed, on the vertical integration issue.

And there's a difference in terms of the perception of harm and the difference in terms of the best way to approach an uncertain future. And certainly on the trademark issue -- I felt that actually both sides were arguing for an objective that I had asked them both to argue for. And it's very interesting that there was a degree of disagreement.

And I think one of the things that we can help with is to demonstrate that, in fact, there is not a loss there. There has merely been a change of perception. So the increased engagement of the GAC continue in a positive light, because it will be unfortunate if it went, I think, in any other direction. And that's certainly where we can help, because in the broader context, and particularly in my home patch within the European Union, I am concerned that there are a range of different union -- different directives which are up for revision at the moment, all of which touch on this area. And it would be unfortunate if it there were changes that happened there unnecessarily because of misperceptions.

>>PETER DENGATE THRUSH: Thanks, Philip.

Steve DelBianco. Steve.

21 June 2011
Board Meeting with Commercial Stakeholder Group

>>STEVE DELBIANCO: Thank you. Steve DelBianco with business constituency.

I think the relationship building has to extend beyond the negotiation process to include transactions where we can actually respond positive to the GAC and indicate advice taken or when they make a request, request fulfilled. And I just bring one example up because in this context, it will be so helpful for us to share with the GAC the good news that three years after they gave us a letter asking the board for WHOIS studies, several questions on WHOIS, it's a 2008 letter. I'm not proud of the fact it's taken us three years to get it through GNSO, but we now have studies in the queue that have been funded and are under way which specifically respond to what the GAC put in the letter in 2008.

And the GAC prefers to communicate through written communications between it and the board. So they're really not paying attention to everything we are doing in GNSO, and they are not really as aware of it.

So my request is the board please, and Liz Gasster and staff can give you exactly what you need but the board needs to send a letter to the GAC with the good news that all the studies they asked for in WHOIS in 2008 are now under way, and of course we will write to them again when we get an answer.

Thank you.

>>ROD BECKSTROM: Excellent suggestion, Steve, and we will follow up. At least the staff will draft a letter for the board's consideration.

>>PETER DENGATE THRUSH: People are just asking to be added to the speaker list. You are now eating up the board's eating time. This is now our lunch hour.

Cherine.

>>CHERINE CHALABY: I want to talk about the quality of the interaction between the GAC and the board. And I don't want to talk about the role or all the other points that people have spoken about.

Suffice to say that I believe that the board takes the GAC advice very seriously, and suffice to say that I have observed that the GAC works hard at providing advice.

You know, a year ago in Brussels in June, I was sitting in the public, I was not a member of the board, and I went and attended the GAC/board meeting. And my first impression of the quality of the interaction, that it was truly dysfunctional.

I since attended all the meetings, and the last one was last Sunday, and I really left again with a feeling that the quality of interaction was still dysfunctional.

21 June 2011
Board Meeting with Commercial Stakeholder Group

I think both parties are responsible for that, and it's not just one party. And I'd like to suggest that, going forward, we need to do things better and different.

I think on the board side, we must learn to listen better and explain ourselves better. We need to give our rationale not just in writing but in the public GAC/board meeting. And I think from the GAC's point of view, they need to find a way of giving us more timely information.

I was really surprised at receiving a letter a day before our meeting with four or five suggestions. It is difficult to react to that in a timely fashion. Plus, I think the advice has to be more succinct so it's clear to us whether there is consensus or whether there is no consensus.

We will not always agree. This is absolutely sure. But we must find a better way of working together as we go forward.

Thank you.

>>PETER DENGATE THRUSH: Thanks, Cherine. Which of the occasions were you thinking of when they gave us a letter with 24 ...

Gonzalo and then Rita and then Zahid.

Gonzalo.

>>GONZALO NAVARRO: Thank you, Peter. Regarding Marilyn's last intervention, I have to say that I believe what you said, Marilyn, is important, but we need to keep in mind that, well, governments are given their role, and the nature of the duties that they conduct are always going to be where public-policy issue is important for them.

Since we are living in an ecosystem with many different actors, a really important thing that you can do is to inform the governments about the exact nature of the discussions that we are having here, whether it is interesting for them or not to be here. I guess -- I'm sure, not I guess, that it is really important for them because they are having here for the last ten years. And that relationship has evolved.

I think that Bertrand made a really good point about the evolution of the relationship between the board and the GAC and especially the GAC inside the ecosystem or between or among the varying constituencies.

I'm really surprised, but in a really good way, that the GAC was participating in the process, delivering substantive issues to work with.

21 June 2011
Board Meeting with Commercial Stakeholder Group

I think that that is a vital moment in the relationship and the participation of the GAC in this process.

So I think that one, the contribution that this constituency can do is explain, because you have a lot of experience explaining governments the nature or maybe the scope of the discussions that they can have in different foras, international foras.

So your help is really welcome.

Thank you.

>>PETER DENGATE THRUSH: Thanks.

Jeff, did you want to....

Okay.

Let's go to Rita, then, and Z-A-H-I-R and then we will close.

>>RITA RODIN JOHNSTON: I agree with the comments that have been made about the evolution of the GAC. Marilyn, and I think you can remember as well as I, they used to meet behind a closed door in a secret room, and when I had to do a presentation, I think it was 1999, it was, wow, this is the GAC.

I think they have iterated and come a long way since then, and I absolutely agree with the comments everyone has made. We cannot all exist in a vacuum. Although we all come to a meeting like this and are in these rooms and don't see daylight, what we do interacts in a broad way in every government of the world. So I think it's absolutely wonderful that the GAC is trying to be more participatory.

I want to say, to pick up on something Gonzalo said, I think you all with your wonderful relationships -- I look around the room and I am like what an abundance of talent here in terms of knowledge of governments around the world influence, knowing local attitudes and how to massage things and how, as Marilyn said, get the discussions going, the dialogue, even just the schmoozing.

One thing that I think is sometimes bumps, and Cherine and Peter referred to it, is getting a letter a day before. We are trying to have a big meeting in Brussels. We are sitting there and we prepare on trademark issues, you can imagine, and reading the guidebook at 3:00 in the morning, and then we suddenly have a whole bunch of other stuff dumped on us. So we tried to respond and they wanted written -- Anyway, the process is really broken as well.

So I think if you all can give some input or maybe help them, you know, how can we actually work better. Is there timeline? And sometimes when we suggest to the

21 June 2011

Board Meeting with Commercial Stakeholder Group

GAC, well, we did those timelines after the scorecard, which I believe were not met by the GAC. And it's tough for us, because we understand how difficult it is. Governments have different protocols. The GAC members have to go back and talk to their superiors, so it's quite complex. It's not as easy as saying the board is going to dictate a deadline.

But the reality is we have to work together. So we indeed to have a dialogue and figure out how best to incorporate these processes. And I think that is actually where you all can be incredibly, incredibly helpful.

>>PETER DENGATE THRUSH: Thanks, Rita. Let's give Zahid the opportunity for the last comment, and then we will wrap and go to lunch.

>>ZAHID JAMIL: Thank you, Peter. I think that the business community and others here in the room can play a very pivotal role in improving the informal dialogue between the GAC, et cetera, and maybe even the board. And I think if we have a better informal dialogue, it will lead to fewer surprises, and maybe that's one solution.

What I wanted to say was I see as a main advantage of ICANN and especially the GAC is that it's different from the U.N. processes. That it's able to agree on things in distinction to how the U.N. functions and how, for instance, more often than not, they do agree here.

And this may be because of the -- and I could be wrong, but I think this is because of the limited nature of caucusing within the GAC at the moment, the way it's evolving. And I'm seeing that develop with my interaction with some GAC members, that there is, between the developing and developed, the larger and the smaller countries, maybe the possibility of some nuances and caucus development.

And I just want to point out that maybe we want -- I don't know how we are going to do this, but ensure that the engagement that we have with the GAC avoids the development of voting blocs and caucuses like we have in the U.N., for instance like the G77. If we can do that, we can maintain the virility and the flexibility and the efficiency of the way the GAC functions. I just wanted to make that point because I am seeing certain possibility of blocs appearing, especially when you look at the new gTLD and the veto powers, I think voting blocs would be a problem. So I just wanted to voice that concern. Thanks.

>>PETER DENGATE THRUSH: Thanks. Marilyn let's come back to you for closing comments, including on this -- on the format of this kind of meeting, if you wouldn't mind, because as you know, we're looking to improve the exchange. And if you think this has been a better exchange and should continue, that would be helpful information.

21 June 2011
Board Meeting with Commercial Stakeholder Group

>>J. SCOTT EVANS: To answer your question, yes, Peter, and on a lot of these issues, I wish we had a lot of this discussion earlier, because it seems like now we come to you with more of a reactive rather than proactive. And I think your question on what is the question behind the question with all three questions is with regards to the PDP and with regards to participation, it is very difficult without information from the board and from staff about what their plan is or where they're going for us to go out and be your Ambassadors in the business community.

And to let them know what the value of sending someone in this economy to Singapore is for their organization and what is the return on their investment.

And to be able to say, well, the interaction with the board and the interaction with the staff to get your issues out in front of them, not necessarily to get everything you want, you know, I say to the board many times, you know, I am standing at the microphone and I am, on behalf of people that I don't necessarily always agree with, but I am their Ambassador here, have to stand up and say things.

I have been here for 12 years because I believe in the process. And I continue to come and continue to find ways to be here because I believe in the process.

And so what I would say to you is what we need is we need more dialogue like this earlier on in issues. Maybe it's workshops. I'm not sure. But we need to somehow harness the creativity, because I hear on the board, when people stand up, many times the response is, well, what do you want us to do? Or what's your solution?

Well, it's hard for me to be able to craft that when I got a 35 page or 40 page document posted this morning.

And I have been told by ICANN, it's my job to make sure I get consensus from a whole bunch of people around the world before I stand up and say I'm speaking for them.

So I just think more exchange of information earlier on, better, more dialogue, so that we can all sort of have a better understanding of where we're coming, and we can all use our creativity and the expertise that we have to move forward in a positive fashion.

>>MARILYN CADE: So let me echo very briefly that I think we have found the format very helpful. And some of you will know, this is a small joke, that after I got over mourning the traditional breakfast with the board, this format -- having created it, you always mourn the loss; right? This format I think gives us something different, and that is the opportunity for us to prioritize a list of topics, to send them to you, but I would ask you for one more thing in return.

21 June 2011
Board Meeting with Commercial Stakeholder Group

Thank you for your participation and your active engagement. Think about sending us a couple of topics next time so that our exchange can be more bilateral and help you as well.

And so we can start that process earlier through Diane. We rotate the coordination.

>>PETER DENGATE THRUSH: Marilyn, you are absolutely right. That was the original suggestion. We were going to send you our top three issues and tell you what's going on at the board, but the reality is there isn't any time. So in terms what have we had to sacrifice, it was us coming and telling you what we are doing because we are a bit more visible and you get to see a bit of that.

So as a principle, yes, but if we were to go to that, we would have to double the length of time and have them half as frequently. So let's talk about that because that may be a better solution.

>>MARILYN CADE: I will just say one final thing on this. This interaction, at every meeting, is incredibly important to us. So whatever we can do to continue this kind of sharing and interaction, count on us.

>>PETER DENGATE THRUSH: Thank you all for coming. We're going to break and go to lunch and then reconvene meeting with another group in exactly the same format.

So I'm not sure where -- It's here at 1:00. Here at 1:00. See you then.

Thank you.

Live Scribing by Brewer & Darrenougue - www.quicktext.com