

**ICANN Singapore Meeting
ccNSO – GNSO
TRANSCRIPTION
Monday 20 June 2011 at 12:30 local**

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Coordinator: This call is now being recorded. And if you have any objections, you may disconnect at this time. Thank you.

Stephan Van Gelder: Thank you very much. So welcome to the Joint ccNSO/GNSO meeting. My name is Stephane Van Gelder. I chair the GNSO. Next to me is Lesley Cowley who Chairs the ccNSO and is just in from England, so give her a bit of leeway. I know she's still jet lagged.

And we've - as I mentioned to the GNSO in the run up to this meeting, Lesley and I have had several discussions in the past few weeks on how both our SOs could work together going - in the future, and work together in a more collaborative way. Not to say that we haven't done so in the past, but just trying to look at how we could improve the collaboration further.

So we've had a number of conversations. During those conversations, we both realized that there was a number of areas where we could both help each other, but tackle the workload that I know is huge for the GNSO, and I'm sure it's huge for the ccNSO, and also benefit from each other's talents and expertise. So part of the agenda that we've put together for our meeting today is around that, and we'll be trying to - each SO will be trying to explain what we do, what our priorities are, and also talk about the kind of issues that we face at the moment.

Lesley, want to say a few words?

Lesley Cowley: Thanks, Stephane. Okay. So really echoing what you're saying, what we wanted to do was try to make these sessions a bit more interactive and a bit more around exchanging information hopefully to benefit both of our communities. And so it was that in mind that guided the shaping of the agenda, but certainly we'd like to see how it goes this time and then hopefully build on that and improve going forward.

Stephan Van Gelder: Thanks very much. So the first topic that we had was just a discussion of the priorities - the current projects that both SOs are working on. Do you want me to start, or do you want to?

So I just thought - this is for the benefit obviously of the ccNSO, just to explain to our fellow ccNSO members what the GNSO is looking at at the moment in terms of the work that we're undertaking.

We have on the GNSO Web site as a link somewhere on that Web site to our pending projects list, which we regularly review and which contains the projects that we are currently working on.

There's three main categories of projects that we have in that list. But a lot of the work that we've done recently, and we'll speak to that in a little while, has covered the GNSO improvements that we've undertaken for the last few years and that have been extremely resource intensive for us for the great people that support us from the ICANN staff that have also put in a lot of work in this.

So a lot of our focus has been on that, and we still have - we started working on that with two Steering Committees. We - one of those Steering Committees has now completed its work, the Policy Process Steering Committee, the PPSC, which was Chaired by Jeff Neuman, over here to my right, who is also one of the two GNSO Council vice-Chairs. The other vice-Chair, Mary Wong, unfortunately is not able to be with us today. She had a personal emergency -- I'm sorry to say -- this morning. So she will not be

joining us today, but she sends her regrets. And she would - I know she would've liked to have been here with us.

So the PPSC has ended its work. The OSC, the Operations Steering Committee, is still continuing its work. That is I think nearly completed, but there's still some work there. And we have set up a GNSO Improvement Standing Committee to oversee the implementation of the GNSO improvements. That Standing Committee is led by Wolf-Ulrich Knochen.

I'm looking around the table - oh, there he is. Yes. Sorry. I've gone blind.

Wolf to my left here is overseeing that effort.

Some of the other work that we're doing at the moment includes looking at inter-registrar transfer policy, and that's an ongoing project. We're into the second phase of that work. We're also looking at WHOIS and we are undertaking a number of studies to look at the way WHOIS works.

We are also - and this will be a topic that I hope is of interest to all of us. We've also started a drafting team to look at the way handle or we work with or we deal with cross-community working groups. Jonathan Robinson over there - Jonathan if you can raise your hand -- thank you -- is overseeing that project. And it's something that we would love to talk to you about. It's certainly something that we wanted you to be aware of that we are doing that, and it's something that we have on our agenda for later.

Some of the other activities that the GNSO is looking at. Something that you've probably been made aware of, we are looking at whether the UDRP, the Uniformed Dispute Resolution Policy, needs a review or not. No decision having been taken in that regard, but we have staff and some of our community have been working on what we call an issue report to see if some review of the UDRP is necessary.

We have also been looking at registrar abuse and whether some work needs to be done in that area. We have had a request from the Board to measure or to - yes, to measure I suppose, aspects of consumer trust and consumer choice and competition. Rosemary Sinclair, over here, is overseeing that project.

And we have a number of joint SIC working groups that we are currently involved in. Some of these we're working with the ccNSO. On others, we're working with the ALAC. So as you can see, our plate is fairly full. I'm happy to go into further detail, but that's the succinct summary of what we're doing at the moment. Thank you.

Lesley Cowley: Okay. To reciprocate then. Just by way of introduction, when Stephane and I were talking, I was talking about a work plan for the ccNSO, which is a thing that's fairly new to us, so let me just introduce it.

We had a ccNSO review in 2010, and if you - the more observant of you would've noticed we also had a change of Chair fairly recently. And as part of both of those things really, we made a decision to try to develop and maintain a work plan so we could be a bit more organized in our work and share that workload out a bit more easily.

So that's quite a new thing for us, but it does enable us to have a view of our upcoming work. And also quite importantly I think for this whole community is bear in mind the volunteer capacity and when that's reaching overload. So we very much hope that through the work plan, we can see some of those overload or pinch points coming up, and then potentially re-plan our work accordingly, as opposed to just everyone try to work even more harder.

And for that work plan, we've clustered our activities. So probably like the GNSO, there's a whole stream of ccNSO coordination and administration. For example, the Council elections each year.

We then have recurring activities, but - that also happen each year, but are not directly ccNSO related around which we also try to coordinate some work. So there is the external in effect ICANN strategic plan process and the operations plan and the budget process. And what we're trying to do is coordinate the timing of our work on those with the ICANN process.

We have a whole series of policy related activities and then joint activities with other SOs, and then a whole series of actions following on from the ccNSO review itself that we are in the process of implementing.

So put all of that lot together, you then get a - something like a six to eight pages of a work plan, depending on your font size. But what we are trying to do as a community, and hopefully by the end of this meeting, is actually then sign off on that strategic plan and then iterate it as we go forward.

So in the plan, our main series of working groups - there are 12 current ccNSO working groups, 8 of which are really around the main policy work. So we have two IDN PDP working groups. We have an Incident Repository Implementation working group. And, we have a Technical working group. We have also a study group on the use of names for countries and territories, and we have three other main working groups which are the current - picking up the main load of work at the moment.

We have a Frame of Interpretation working group, which is (Chad Mitisch), who will now put his hand up please. Thank you. So the Framework of Interpretation working group is taking some baby steps -- I think it's fair to say -- on recertification and authentication, whether hostile or otherwise, and looking at clarifying some of the current processes or documenting some of the current processes and then seeing whether we need to do a policy development process.

That's an abridged version, so you can imagine of a quite a big task for the ccNSO.

We then have a Finance working group, which is chaired by (Byron) - thank you. And the Finance working group is looking at the thorny subject, money. We are still waiting with some anticipation some information from ICANN, but nevertheless, we are -- in the absence of that information as yet -- looking at models for ccTLD contributions to ICANN that hopefully when we have some money information, we can then put into those models and have a much better conversation around finances.

The teams have also done quite a bit of work with the ICANN staff on the information coming out just at the moment on money.

Then lastly, we have the Strategic and Operating Plan working group, which is chaired by (Ronald). And (Ronald) and his team have been doing a lot of great work around the elements in the strategic plan and where they might affect cc's, and also the operating plan and how that translates to strat planning to - into action. And we're going to share with you a bit more on both your pricing plan and the budget, because we think that those should give joint concern or at the very least joint interest.

Then just to close off the list of working groups, we have two in effect standing working groups around making meetings work. We have a GNSO and a GAC liaison working group, which is where we structure the interactions that we have with the GAC. We have a session with the GAC each ICANN meeting.

And, a Meetings Program working group where we organize ccNSO meetings. And then we have two joint working groups. We have the ccNSO and GNSO IDN working group and the Joint Security and Stability Analysis working group. So like you, we've got a lot going on at the moment, but we are trying to be better organized around it.

Stephan Van Gelder: Thanks very much Lesley. Are there any questions on both those brief overviews?

Wolf?

Wolf-Ulrich Knoben: Thank you, Lesley. Just a brief question. From my understanding, you've talked about a Financial Committee or something else. Just for my understanding, what kind of financing they're talking about? Is it about financing a ccNSO or any project, or - of the ccNSO, or what is being - because we don't have these things in the GNSO.

Man: Sure. It - and we will present a little more detail in a few moments about the working group, but fundamentally it's looking at the contributions and allocations that the cc community is making into the ICANN process, and also looking at ICANN finances and the assumptions that they're making about what they are currently allocating to us in the budget process.

Two sides of it. Looking at the models and then looking what ICANN is providing and testing the assumptions there.

Stephan Van Gelder: (Bill).

(Bill): I'd like to ask really a (unintelligible) question, for which I apologize in advance. The - as you know, there's been much discussion in the gTLD environment about ways to provide supports to needy applicants, particularly in developing countries, for the application process. And then maybe wonder more generally - you have many, many members of course - (50) TLDs that are from least developed countries and developing countries, sort of the transitional countries at various stages, et cetera.

Do you have any kind of organized program or set of activities geared towards assisting ccTLD operators in poorer countries, financial, technical, or other? Or indeed, going down that perhaps people at the second level?

I mean, I was just curious. I don't know how you do or don't approach questions of this sort of - the global political inclusion of developing countries more fully in these processes. And I just wondered if you have organized activities of any sort around those issues?

Lesley Cowley: Well, thanks for the question. Okay, there's a number of different ways to answer that. So if I answer the ccNSO specific element, we have quite a section of our meeting which is about sharing developments and exchanging information. Not necessarily specifically related to developing country operators, but actually people bringing their recent experiences.

So, we spend a lot of time on disaster recovery for example. And coming up on our agenda this week is sharing of experiences of a registry being hacked, a registry experiencing a Tsunami and an earthquake and the nuclear reactor recently, et cetera. So, we tend to do quite a lot of information, best practice, experience sharing.

Don't forget also the CCs are very active regional organizations, and they also often have their own programs of the sharing. We also have a tech's day where the technical staff and registries very much exchange information, et cetera, as well.

None of that is specifically related to developing countries. It's for all developing and established registries. There is always something new to learn.

I don't know if any of the regional organizations might wish to add to that?

Steven Huddleston: Hello everyone. My name is Steven Huddleston, the General Manager at (First Center). Just in addition to what Lesley said, I think there's also the next level on - if you look down from ccNSO Regional organization, and there's

obviously a lot of work being done on a bilateral basis by ccTLD's themselves.

And, I think the best example is probably (unintelligible), where on an annual basis they - it gives the opportunity to assist TLDs from developing countries to send engineers to ethnic (unintelligible) and sit through courses that it can take up to a couple of weeks. And there is follow-up and there's exchange of information on infrastructure, and I believe there's even sponsorship of (unintelligible) - for infrastructure as well.

So all in all in those two different levels, there is indeed some cooperation.

(Bill): So you're saying basically it's knowledge sharing and bilateral initiatives are the primary kind of vehicles for dealing with this kind of issue (of space). Is that correct?

Woman: Yes. Same thing in our region - our (AP) region. Actually, we're - we also have this disaster relief fund for - you know, for our region - yes, our regional organization. So it's not particularly for developing countries. It usually is you know, issue specified acts.

(Keith Stotes): Could I just slightly add to that. From the APTLD perspective, we do have some specific budget line for travel fellowships for emerging ccTLD registries to participate in activities. And just for example, recently in April we had a one-day ccTLD workshop in the Pacific Islands, which we had 16 of the 22 ccTLD managers, most who have never engaged in the ICANN process at all. So, I think it's sometimes easier to handle both than for the regional - or rather than at ICANN.

Woman: But as regard to (unintelligible) attendance itself, we also have a travel fund, and that tends to go toward supporting people from developing regions or for whatever other reasons who wouldn't normally be able to attend a ccNSO meeting as well.

Stephan Van Gelder: Thanks.

Any further questions? And could I ask - I don't think we all know each other, so could I ask you to introduce yourselves and just say who you represent when you speak please?

Jonathan.

Jonathan Robinson: Thanks Stephane. Jonathan Robinson from the Registries constituency.

(Keith), just a quick follow-up there. That regional - that fund that you were talking about, was that a regional fund or a ccNSO fund? Or - the fellowship?

(Keith Stotes): (Keith Stotes), and I'm ccNSO Councilor, but speaking as a gTLD Chair, there's an APTLD fund. You know from every year's budget, we attribute a line. We also have a line and are maintaining a balance sheet account for disaster recoveries, so should any of their regions - ccTLDs suffer from a Tsunami or something, we have a fund that's building all the time available for use.

So you know, we're doing what we can with limited resources.

Jonathan Robinson: Thank you.

Stephan Van Gelder: Any further questions? Moving on to the next topic.

Lesley Cowley: Okay. So for the next topic, we thought we'd share with you some of the work we've been doing on the ICANN strategic plan, the operating plan, and budget for which we have Byron Holland and Rolof Meyer.

Rolof Meyer: Okay. Sorry about the delay. My name is Rolof Meyer. I'm one of the Councilors on the ccNSO. In my normal life, I'm the Chief Executive of (unintelligible) to the registry for the (Netherlands .nl) ccTLD.

As Lesley introduced me, I'm the Chair of the ccNSO - what we call the SOPWG, the Strategic and Operational Planning working group, and I'll be giving a joint presentation with Byron Holland, who's the Chair of the Finance working group, and who in fact before me was the Chair of the SOP. So he's probably going to fill me in a bit as well, because I've started at the last ICANN meeting in this working group.

What I'll do - or what we will do is we will give you a brief introduction on the two working groups, then I'll give you a highlight of the comments that we submitted on the 2011 through 2014 strategic plan - ICANN strategic plan. And I'll give you a highlight and then the details of the comments that we gave on the 2012 operational plan. And we had the last discussion on those comments yesterday with ICANN staff. And we will close by Byron giving you a timeline of the Financial working group.

So the SOP was created in 2008, and its main purpose was to improve the participation of the members of the ccNSO in ICANN's - the strategic and operational planning process and in the budgetary process. In the first few years, the working group only submitted the comments to the ccNSO and the ccTLD community.

But it was last year that everybody concluded that the working group was functioning so well that it was allowed to provide its own comments directly to ICANN, and it would then seek support or endorsement from the membership and/or the ccNSO Council.

So the process that we follow these days is that we - as a working group, we come out with our comments, we send it to the ccNSO membership. They can still add or suggest changes. Those comments we sent as a working

group to ICANN, and quite a few of the members of the ccNSO then used those same comments as the input for their own submission to the comments period.

It means that we will follow the operational planning process. We will look at the different versions of the operational plan, of the operational plan framework. We will look at the different versions of the budget, and of course we will follow the whole strategic planning process and we will react to the different versions of the strategic plan.

We normally have a session with ICANN staff during the ccNSO members meeting, so we will have one tomorrow morning. And of course like probably all your working groups, we have conference calls and - well normally, we'll have a face-to-face or maybe even several face-to-face meetings during an ICANN meeting.

If you are very interested, you can find out more about this working group on the ccNSO Web site.

Now just to give you an idea and I've taking the highlights because in 2011 to 2014, the strategic plan - no, the new Strategic Planning process is just about to being. So it's - I don't think it's very useful to go into all of the details of the comments we provided in the previous version of the plan.

But as an overview, we found on the process side, that there's - especially last time because a clear lack of commitment to - from the ICANN side to both the process and the timelines, which in the end caused us to have a very limited time slot to react to the strategic plan. That was one of our major comments, and ICANN has promised to do better next time. And, we had our first discussion about it yesterday with ICANN staff. And, I can show you the timeline at the end of the presentation if you want.

But apart from the fact that now the first documents period is in the European and North American summer holiday period, therefore the rest is quite a significant period in which we will be able to provide comments.

Secondly, most of the comments that we submitted on the 2011 to 2013 Strategic Plan, we reiterated them on the 2012-2014 plan, and I suspect there will be a few that we will again use for the 2012 through 2014 plan. And, I'll leave it to you to decide if we are either being stubborn or ICANN is not listening well enough to us.

One of the more comments we provide is that we find that there is a clear lack of measurable goals in the Strategic Plan, and I think there was a good example yesterday in our session with ICANN staff when we were asked if for the new plan there was specific items in the existing Strategic Plan that could be taken out because they had been completed. And I found that an impossible question to answer because there is no clear goal defined in the strategy. Then it's very difficult to tell you when it's done.

So well, we hope we'll do better next time, but I think that's a general problem. Also you see it in our comments on the Operational Plan that there are very few measurable goals in both plans. And that makes it very difficult to determine what to (charge) if we go and get the (speed) we want, and if we're going in the direction we want, and if we are - well, if we are reaching the goals that everybody thinks we should reach.

Another major comment was on the stability, security, and resilience role of ICANN in that we said that ICANN should specify its role, work out the objectives, and define the activities that it was going to have in - on this field.

And finally, ensuring both financial and general kind of ability - stability, and certain responsibility is something that we found in this version of the Strategic Plan was not sufficiently addressed.

Now on the present Operational Plan, which the effect will be approved in - or it will be submitted to the Board in the Friday Board meeting, one you have already heard on the Strategic Plan; a greater clarity and description of specific goals, measurable objectives.

We have serious concerns about spiraling costs and there's an unbalance between the increase in the cost and the increase in revenues. And in fact, there's a (fact that too) between them, costs are increasing at twice the speed as the revenues. And, I learned a long time ago that that's not a very healthy situation in the long-term.

We had serious concerns about the (hike) that Byron is going to comment on it later, of the cost that are allocated to the ccTLD community. In fact, in the plan it's just the ccNSO community, but - okay, that's probably a misunderstanding because there are more ccTLD's than there are members in the ccNSO. We've asked an explanation, but so far we haven't really received it.

We have serious concerns about the 21% increase of the cost of IDN ccTLD's as compared to the fiscal year 2011 budget. There's no explanation why these costs have to increase so much.

And another serious issue for us is the (hike) of the costs of professional services, which are about 25% of the total budget. And it's our opinion that the ICANN organization is not at all ready to handle the management challenges that that large number of consultants will cause on such a relatively small organization.

So a bit more into detail - and please interrupt me if you have any questions, because I couldn't understand it. It's a bit difficult to keep them all for the end. Lack of clarity of the process; I think I've said enough about that. Imbalance in detail between the budget and the framework. I

n fact, that one has been addressed, because when we got the first version of the Operational plan, it's called the Operational Plan Framework. It was a very high level document of only a few pages, while the budget was already quite detailed. And so this imbalance, there was the problem that we couldn't match actual activities or objectives with costs allocated in the budget. With the present version of the plan, that problem has been solved.

By the way - oh, you can't see the yellow question mark on top. But if there's a green slash that means that that comment has been taken care of, a red means nothing has happened so far, and anything yellow means probably - well, they've done something but not enough or it has to be included in the next round if the process has improved, (for instance) on the first one on this slide.

Corporations, we find an inconsistency in terminology infringes on core operations itself. I won't go into the detail, but if you read the plan you will see that there are different definitions for the term core operations.

There's a lack of clarity in (IANA) function activities. As an example under technical improvements of the (IANA) function is the activity renewal of the (IANA) contract. And, we find - we think that renewal of the (IANA) contract is much more something to do with operations and policy, and has very little to do with the technical side of ICANN.

IN the first version, the IDN activities were limited to fast track and - but that problem has been solved, and there are inconsistencies in the IDN program budget, as they are in the SSR activities. By the way if you look at the present version of the Operational Plan and the budget for the SSR activities and you compare that to the SSR framework that ICANN has published, there's about a \$4.2 million gap in the costs of the two, while in our opinion they should be equal.

It could be that we misunderstand something. We have asked the question and we are waiting for the answer.

We also have a serious concern about the spiraling meetings budget. We recommended even our first version of the comments an in-depth (unintelligible). And as feedback, we got that ICANN will increase and research for sponsors of the meeting so we're a bit worried about what is going to happen if they don't find the sponsors that they are expecting to get.

Policy development support is an example where there are no measurable objects so it's very difficult to be clear when - if we're making any progress in the right direction there and contractual compliance, this is something where for us it's unclear where the turning point is, where new gTLD expenses are still in the launch phase and where new gTLD expenses will be taken into account in the compliance phase.

And the difference is that if it's in the launch (plan), we know now that we're going to have new gTLDs, but if it was in the launch phase it will be in the present budget and if it's in the compliance phase it will be in the new gTLD budget.

There're several projects mentioned, in fact, it's a specific chapter in the operational plan and quite a few of them still lack details on activities and on objectives. So it makes it difficult to command on those projects because you don't know what they are supposed to do and what the goals are.

On new gTLDs, in our first command we asked questions about the 13 million U.S. dollar contingency fund and in - well, as you can read in the present version of the plan, there is an old calculation behind it based on the advice of independent lawyers, I think, and insurance organizations. And it's a percentage of the application fee for each application.

I'll go a bit further. I saw Lesley doing something. Filing costs - I've mentioned that one already. In the first version of the plan there was a \$2.9 million deficient. There's now a positive result of about 1.6 million U.S. dollars. Contrary to ICANN's strategic plan there is no addition to ICANN's reserve fund.

And it's a bit strange because it's a strong point in ICANN's strategy to have a reserve fund with proper - one year of operation costs. And the present reserve on this is significantly smaller than the one year operational cost of ICANN.

We've commented on several occasions on the high average and (lead) cost and we still are awaiting feedback on that. And I've mentioned about the professional services. This is something I think (Byron) wants to comment on, ccTLD costs and ccTLD contributions.

(Byron):

So the work of the finance working group to some degree has overlap with the SOP and as a result, the two working groups actually work in concert to a great degree I think as you've probably just been witnessed to, the SOP has done a lot of thinking and work and drilling into a strap plan, the ops plan, the budget and how you - how the elements of the strap plan flow right down to the dollars and sense in the budget.

And I think somebody once said, you know, you can tell the level of importance just by following the money. And I think that's really what the SOP is doing here, is trying to understand, do the strategic objectives actually get prioritized the way they're articulated and how do you really tell? Well, follow the money.

And I think they've been doing a very good job at assessing that. Now once we do that, they do a lot of work that's important to the finance working group which is still quite a new working group in its infancy and we're really looking at several different elements.

First and foremost is how expenses are attributed to or allocated to the CC community and the underlying methodologies behind that, so how ICANN allocates the various expenses that they do to the CC community in the same way that they allocate expenses to all the various communities - the G community, the GAAC, et cetera.

So we're taking a good look at what that methodology is and the dollars that actually flow from that methodology. That's part of it so it's the methodologies itself and we're looking at a number of different ones as well as their hard numbers.

And the other part is actually reaching into our community to try to find what the CC community in general believes will be an acceptable or most appropriate methodology for determining contributions because as you probably know, currently it's a voluntary contribution that individual CCs make to ICANN.

And right now the methodology is based on bands and those bands are determined by the number of registrations in a given country code. And it's a volunteer contribution based loosely on various bands.

So we're looking at different - at an - basically all the methods of contributions that one could make in an organization similar or like ICANN and trying to determine what the most appropriate is going to look like and also, of course, highlighting that to our community and trying to build a consensus. There are many different points of view within.

So that in itself is a challenge, let alone the external piece. And then to coordinate and facilitate and increase the participation of CC managers in that contribution element too.

And I think, you know, the work being done in the SOP and the S- the finance working group has already proven very valuable. If you look in the annual report from ICANN, they make specific reference to the contributions being made here and I think yesterday we uncovered something that gives us all pause for thought.

And one of the elements that the (relatives) already raised was there was a 30% increase in costs allocated to the CC community last year over this year to which we've been pushing back and pushing back saying what is it? Can you justify it? How - what can that be? We look around the room at each other and say, you know, did you get something this year that I didn't feel?

And that was really - everybody looked at each other and said seems to me the same as last year. And what became clear in our meeting yesterday for the first time is, in fact, that there had been a mistake. And ICANN had allocated \$2 million of expenses against the CC community that had nothing to do with the CC community.

So what you'll see on the two previous versions the draft and the most recent one put out on May 17th is that there were \$12.4 million of expenses associated against the CC community when, in fact, assuming the methodology is correct other than this, it should only be \$10.4 million.

So by our working groups pushing back and pushing back and questioning, we in a sense, uncovered the fact that there was a \$2 million mistake in ICANN's proposed budget which I think warrants all of our continued attention, our community as well as yours in making sure that we all believe in the numbers.

So that's what the finance working group, in conjunction with the SOP has been up to and our purpose. We do have a timeline. Our group is new. Our goal is to get to a conclusion which, for us, is producing some recommendations to the CC council at the Toronto October 2012 meeting, so

just to give you a sense, there's a fair amount of work to assess through all the models and the financial side of it and our goal is to get to that point by October 2012.

Man: (Unintelligible).

(Byron): Sure.

Man: (Byron), can I just stop you there both in the interest of time and for questions. I mean, the point that you've just made I think merits pause and possibly discussion.

Woman: (And discussing cost).

Man: It also serves - I mean, before we get into the actual discussion of where that \$2 million's gone and what happened in the previous years as such mistakes were made and no one was watching. But I think it really does serve to highlight the collaboration that Lesley and I discussed and that we wanted to put to both SOs.

This is a clear example - I mean, the detail of the work that you've done on this and speaking personally, is something certainly that I'd like to share, benefit from.

It's - from the GNSO side, it's something that we've just simply not had time to do. I will say that we've been washed up with so much - we've been deluged by so much stuff that, you know, looking at the ops and strategic plan in such detail, looking at the budget in such detail is something that we should've done, we should do but did not have time to do.

I personally would be extremely interested in hearing from other members of the GNSO council if they feel that there's value in us, both SOs working in this together, possibly through some informal joint meetings between your

working group and something that a few members of our communities may be, that might volunteer to work on this.

I mean, it wouldn't be me personally. I have problems adding up my checkbook but maybe some people had more expertise and I think this serves as a really good example of what both - we could - both communities could benefit from this.

So perhaps I can stop there, put it - open it up for questions. Christina.

Christina Rodriguez: I think that would be extraordinarily valuable. I would also suggest that perhaps some of the reason the council has not provided that level of scrutiny to those documents as a council is that by virtual of the various stakeholder and constituency groups, that we're not always going to agree on what is and is not an appropriate budget expenditure.

I can say that I know that the IPC puts comments in regularly on the budget and the like and I suspect that there are other stakeholder groups and constituencies do. So I think, you know, that might be a really good platform to build on in terms of leveraging and incorporating some of those views and trying to come up with a position that within the GNSO we have consensus on and then use that to further leverage. So I think that would've been very helpful.

Woman: Yes. Thanks Christina. I was just going to just make the point that our work in this started back in 2008 and actually it wasn't about the money then. It was about not moaning about whatever ICANN is doing if you haven't been involved in the strategic plan.

So, you know, (through) the strategic plan, that should be setting the goals, setting the priorities, setting the direction, and then it's rather late to complain if you don't agree with one of the byproducts of that further on down the line.

So we made a commitment as the ccNSO to be engaged in the strategic plan from which then flows the operations plan and the budget. But it's at that - highest level I think it's important not to purely focus on the money because it then flows from the strategy.

Man: Thanks. Wolf.

Wolf Ulrich Knobon: Yes, thanks. Wolf Ulrich Knobon from the GNSO council. I find it extremely useful, extremely interesting what you are doing and then I think back what we may have been able to do in the past, it is with regards to the operating plan and the strategic plan.

It is really - let me say, it was a mess, you know, because the plan was given out to the council and then forwarded through the council through the constituencies and then it was up to the constituencies, well, to deal with it and to the (senior) members of the constituencies and I personally at every time, a big problem of how shall I read those figures?

What is behind those figures? I see lovely charts and numbers but I cannot deal with it. So it would be very helpful if you could come to some sort of cooperation in this respect. And what (has) me puzzled the most in the past was I was looking for - to understand what's going on with these figures not only the comparables between let me say what was standing in the past and then what is going to be done in the future, but also to get some idea of about benchmarks in this respect.

And I would like to ask you whether you have been successful in that in thinking about benchmarking in this market because that would be very helpful I think also to have something for argumentation in the future. Thanks.

Man: One of - there's one subject where we suggested to ICANN that they will do a benchmark and that's on the salary costs and stuff. We got the response back that there has - had been benchmarks and we were referred to a

document which gave us some comparable data but on the very high level and what - and on functional levels, so far we're still awaiting an answer on that one.

But I think it's a very good point. There are several items or area groups in the budget where you could benchmark and I can predict for instance one area where there's an extremely large difference between the ICANN budget and an average organization with - which is based on expertise, or not the machinery but the - and that's on professional services. And there must be more but it's - yes, it's a good point.

Woman: Just to add to that, I mean, we do have a good dialogue with the ICANN director of finance when they have one and the ICANN financial staff. So certainly, you know, through working with the people there I think we've developed a good dialogue and a good level of trust which is then helpful in terms of providing information to inform benchmarking and so forth.

Man: Thank you. Jaime

Jaime Wagner: Jaime Wagner, GNSO council, ISP constituency. I understand that ICANN (hails) it's transparency but it seems from your report that the - it does not extend to the financial (guidance) and I mean, what level of transparency or of detail were you able to have one (cast person) and think that there is no level of detail in this that enables your group to make judgment about the - historically or comparatively what kind of situation.

Do you have the level of transparency? It's okay? Or why not? It seems from your report that your requests were not satisfied in this respect.

Man: No, that's right. There are a few issues with that. The first one was, like I said, it was an inconsistency in the level of detail between the framework, so the first version of the plan and the budget were - because of the fact that the framework itself was on the very high level and the budget is by detail.

First it was impossible to match the two and that's a clear problem of transparency. I don't think it was purposely done in - to be intransparent but for us, that was a transparency problem. After that we have raised certain issues. We got answers on some of those issues and we didn't - and are - so far waiting for answers on a few other ones.

ICANN staff has told us on several occasions that one of their problems is the fact that they're changing their financial whatever you call it in English - their financial system.

Woman: (On controller).

Man: In controller and a few other staff members but we were promised in yesterday's meeting at - from the beginning of July this problem would be served - solved and we were actually also promised that we could get all financial details that we wanted except from individual staff salaries, which of course is reasonable. So we are...

So - at first we are (awaiting). I understand that budget wise, the level of detail is okay, you know.

Man: Once that system is up, it's probably going to be okay. We take their word for the time being.

Man: Thanks. John, can you - sorry. Can I ask you to close this? We are running way over time.

John Berard: Sure, I'll close it with an offer of help. So as Christina rightly points out, the constituencies have generally been the place where the budget has been -- John Berard, business constituency, sorry -- the constituencies has been where the budget has been discussed. The vice chair for administration and operations of business constituency, Chris Chaplow, has for reasons I don't

understand, become quite expert in all of this and has offered on our behalf some very detailed and pointed comment.

I would - I tried to find him to get his permission. He's not here so I am offering him up as a source - at least as a guide as to how it's done elsewhere and perhaps can be done here at the council and perhaps as an information, an offer of insight to you guys as well.

Stephan Van Gelder: Thanks John. In the interest of transparency I should say that Mikey O'Connor has just sent me an email offering him up as well Chris, so he's just been volunteered twice. He's probably left the building but (Jonathan) and then we really must move on.

(Jonathan): Thanks Stephan. I'll be very brief. Just - we did - we - just to respond to the ccNSO, which I should be - I should compliment you on a - on like others have a very detailed and thorough piece of work. While we don't do that as a GNSO in quite the same way, there has been some evolved work as you referred to and I just would point you in the direction of the recently submitted registries constituency submissions which may have some overlaps.

And we can talk about those offline, but it's just to flag that that in the groups there has been some good and detailed work done as well.

Stephan Van Gelder: Thanks. You and (Christine) both make important points on the work of the individual groups. It is perhaps due to the GNSO which Rob Hoggarth is going to talk to us about now, so that makes a good transition.

But the idea behind this discussion was also how to try to have some combined effort overall which might be helpful to avoid the kind of mistakes that the ccNSO's identified.

So thanks for that. We'll try and pick that up as we go. And Rob, if you can just very quickly go over the recent changes the GNSO has been through and the constructs, that would be helpful.

Robert Hoggarth: Three minutes, three slides. Bart and I have joked on occasion about the differences between the GNSO review and the ccNSO review in terms of the level of detail and work that's gone into it.

The GNSO review process began with a board decision in June 2008 and we are only now seeing the light at the end of the tunnel. Stephan wanted me to just focus and share particularly with members of the ccNSO how the GNSO council is structured so you can see that.

This slide just demonstrates that there were five main sort of foundational points in which the review effort was made but the real critical one was restructuring the GNSO council to shift from a legislative body to become more of a strategic manager of policy initiatives and the rest.

I mean, I'll let you talk with individual counselors about how successful they think that has been over the last two years. The essential structure is this - there are two party houses - contracted parties and non-contracted parties. Within each of those houses there are two stakeholder groups, so there's a total of four stakeholder groups and I'll show you that small picture in a moment.

A critical element of the restructuring effort was rebalancing the non-contract party representation. That meant fewer seats for the commercial community and more seats for the non-commercial community. There was also a general reassignment of the nominating committee appointees. They changed a little bit in terms of the groups that they were associated with and some of their roles including some of the voting.

And then finally there's a whole different new process from the previous one in terms of voting mechanisms. With the underlying and sort of fundamental philosophy that no individual group could prevent a policy development effort from going forward.

So here is the current structure, and as I mentioned, you've got two houses - the contract party house and the non-contract party house. You see how each of the two houses is divided into two stakeholder groups. On the contracted party side, you have the registries and the registrars.

They operate now as stakeholder groups. You've heard different people representing themselves today of being in a constituency or a stakeholder group. This sort of identifies how that breaks out. But the registries and registrars are just stakeholder groups at the moment.

There's much more complexity on the non-contracted party house side. The commercial stakeholder's group, this group here, is currently made up of three constituencies - the commercial and business user constituency, the intellectual property constituency and the group of entities that, you know, provide the transport and connectivity, in short the ISP, constituency.

And each of those constituencies has two - voting council members. There's been more transition taking place on the non-commercial side of the house. As I mentioned, there's been a rebalancing. Currently what you see is one constituency, the non-commercial constituency. It's non-commercial users.

They have three seats on the council. There are three other representatives of the non-commercial community who are board appointees who served two year transitional terms and their terms expire with the upcoming annual general meeting.

There's also a proposal at the boards considering this week to add an additional constituency that's come forward on the non-commercial side of

the house for non - not for profit operational concerns. So there's going to be some changes over here but the overall structure won't change.

For your purposes, as you know, there are a number of non-voting members on the GNSO council, one of three nominating committee appointees. Two voting ones are associated with the individual houses. And then there are two liaisons, one from the at-large advisory committee and, of course, one from the ccNSO.

So that's just a general overview of the structure so you can put different people in different slots.

Stephan Van Gelder: That was quick.

Robert Hoggarth: I promised. It was more - I know. It was more than three minutes. I'm sorry.

Stephan Van Gelder: Thanks very much Rob. Any questions on house structure? I asked Rob to talk about it because obviously it's so complicated I don't understand it. No questions? Okay, so we'll move on to very quickly in the two minutes that we have left, and that wasn't any strategy on my behalf to not talk about community working groups, but that was the last topic that we had left on the agenda.

The topic reads cross community working groups - what are the issues and how we might deal with them? Lesley, do you want to introduce the topic?

Lesley Cowley: Of course, (Klaus) doesn't mean to say we're all going to be angry. Okay, so we've encountered this issue at the moment in the ccNSO with the (Jake) working group. And it's brought around some kind of areas where I think we need to do some work to either clarify or put in procedures or whatever.

So some questions. Really firstly who defines the scope of these groups? Is this a single thing or a shared GNSO ccNSO? Maybe there's a joint definition.

There's around - something around formation. How do these groups get formed and who decides who is involved?

Processes around working practices - how these things actually work in practice, what are the mechanisms? And particularly decision making on the outputs. So we have an issue with the (Jake) report but eventually I think we ended up, both councils, signing off on then sending to the board which I'm sure was absolutely fine but it felt rather as though we were making it up as we went along.

Man: We were.

Lesley Cowley: Which of course we were indeed. And then really how do we manage the follow up actions that inevitably arise through these groups and when do they close, et cetera, if that's a joint decision or otherwise.

So I think at the moment we have a kind of a list of issues and we would like to do some work both within the ccNSO and then jointly with the GNSO to maybe develop some processes and some procedures going forward.

Man: Thank you very much. (Jonathan), not to put you on the spot, is there anything out of the drafting team that you would like to say?

(Jonathan): Yes, definitely. Let me make a couple of remarks I think. First of all, I - the premise from which we begin this is that we believe there is potentially very valuable work to be done by this kind of group and we (nevariously) know there're joint working groups - community working groups or cross community working groups.

As Lesley pointed to one example, we're aware of one or more concerns that have risen with less about the actual work that's being done within such groups but more about the process and mechanisms by which they have operated within the overall ICANN framework.

And so we've really, in recognizing that, commenced some work to try and put, within - a working group within the GNSO to try and put our views together as to how that kind of work might be structured along the lines that Lesley touched on.

And I think there was clearly a name to recognize that there have been some concerns but not to focus on those concerns but rather focus on how such groups might work and effectively operate in the future such that the processes by which their work was undertaken was not a cause for future concern.

So we've begun that work. We've got a group of us within the begun work. We've got a dropped document we've begun to work on and frankly I see that we are open minded to contributions even at this early stage. I think one of the cautions we've got is because by virtue of the fact that they are - they're across the community, there's a danger that if we form too much of a developed position within the GNSO, we may then have come up against something different from somewhere else so it - actually I think we'd welcome some input as early as possible in the process from anyone within the CNS-ccNSO.

And it may well be that this is a very useful point of common working. Thanks.

Lesley Cowley: Thank you (Jonathan). We've got a group who has some draft - a draft paper that we're going to be looking at this week, so perhaps post that we could then share.

Stephan Van Gelder: So it looks like we have two suggestions for - a couple of suggestions for two joint efforts. Any - and we'll - I suggest from - for the GNSO council members, I suggest that we pick this discussion up during our wrap up on Thursday. Any questions on the topic that we just discussed? Edmon.

Edmon Chung: Thank you Stephan. Edmon Chung here and I guess (Jake) was mentioned a couple of times and we hope to be providing good examples and experience into these cross constituencies or SO working groups.

But speaking of which, I think one issue I want to bring up is that the (Jake) was a - formed by a neutral charter, one adopted by - the same one basically adopted by the ccNSO and the GNSO.

That comes to a natural end, sort of has a natural end at the adoption - well, an approval by the board of the applicant guidebook which happily happened. And I think - but I think in terms of the (Jake), we have identified three issues of common interest.

We produced a report on one of them. We're still working on the other two, one of which being IDN variance, the other being universal acceptability of IDN TLDs. I think both of which continue to be issues of common interest between the Gs and CCs especially as the IDN variant issues project is ongoing.

I think we continue to liaise with them and with the IETS work as well. I think - so I guess a couple of items - one is - we'd like to - I would like for the two councils to consider renewing the charter to conclude these two items and so that we can produce the reports for them.

And the other item is that I think the experience from the working group, we'd love to probably input into the discussion about cross working groups. Thank you.

Woman: I was just going to respond to your first point. So the - under the closure of the working group in the original charter, it did say when the handbook was published and in fact, but we did with huge foresight give ourselves an opt out which was unless both the ccNSO and GNSO council extend the duration.

Man: And that was obviously something we'd planned long ago.

Man: Yes.

Man: So that's definitely something that we need to look at. We had flagged that during our weekend sessions and we've identified it too. Any further questions or comments? In that case, Lesley, thank you very much to you all from the ccNSO for this joint meeting. We look forward to continuing the joint discussion and we look forward to spending the rest of the week in useful discussion with you.

Lesley Cowley: Thank you. And I'd like to remind people, if you have feedback on the revised way we've done it this time and suggestions about what we might do next time, it would be very much appreciated.

Man: Thank you. The meeting is adjourned. Operator, this session is now ended.

END