

TRANSCRIPT

SOP Working Group Meeting Buenos Aires *17 November 2013*

Attendees:

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Roelof Meijer:

Okay, welcome everybody to this face-to-face session of the SOP working group in Buenos Aires. I hope you all had a good trip down here. We have Lesley on the call, but we cannot hear her. She can hear us. I can't really decide what is the most important. Okay. Good. In the meantime, we will start off. On the screen, I have the agenda. It's mainly the one that you received by mail that was sent by Bart. Three items, our letter to the ICANN CEO and Chair of the 1st of November and how can we decide on the way forward. We will have Xavier here and I think also Risa (ph). Okay. But that's definitely not Risa.

Second point on the agenda will be a discussion about ICANN strategic planning and the draft strategic plan, and I think Denise, you will --

Denise Michelle: And Xavier.

Roelof Meijer: And Xavier as well. And then if time permits, I just want to give you a high level overview of the draft comments of the ATRT 2 on financial accountability and transparency, which will be in -- dealt with in the decision as well meeting I think the second day. But I volunteered to give some feedback. In fact, they're very much in line with what we put in our letter. So I don't think we have to spend a lot of time on that.

Anybody who missed anything on that agenda? Excellent. So let's start on topic number one, our letter to the CEO and ICANN's board chair. I think you will all recollect what was in it. We shared our concern and frustration about the lack of a clear process, expressed our concern with the fact that the process changes all the time and the deadlines are mainly exactly that, deadlines, and that we keep on repeating ourselves on what we consider the quite substantial matters and most of those matters are not being incorporated into the plans. But also, we very rarely get an appropriate response to our input.

Just before this meeting, we received a letter back, a response from ICANN's CEO. I'll put it on the screen, but we have Denise and Xavier here and I think -- well, I sent you my overview of a discussion I had with Xavier and I think you're going to elaborate on that. But there are plans for a way forward and I think it's best if ICANN staff explained it to us, how they envisaged that.

Xavier Calvez: So thank you, Roelof, and hello everyone. So to try to clarify the sequence of events along the lines of what Roelof had just indicated. So we received a letter November 1, which of course we had a preview of a few days or weeks before that. Roelof and I had a call the 5th of November, so a couple weeks ago, just no more, no less than just clarifying the messages and the circumstances, and also clarifying some things that we will elaborate on here. And we meaning Denise, Theresa Sweinehart (ph), and Susanna Bennett and I have been working together on receiving this letter, analyzing it and putting together a response.

Not necessarily going into very detail of each line, but the overarching messages that this letter contains and is trying to reflect, and of course, it's a letter from Fed E (ph), but Denise and I have been highly involved in drafting it. The overarching messages are relatively simple. One is an acknowledgment of the fact that the most or the strategic comments, or the comments from this group that are more specific to the strategic planning process or lack thereof about the adequacy of the steps that result from a normal standard comprehensive strategy planning process have not existed as described or intended, or is ideal, I would say, in ICANN.

So we haven't had ever a comprehensive planning process that goes from strategy to budget, long-term -- sorry, long-term strategy to five-year plan, to operating plan, too much. We've had a very high-level strategic planning process, which has never included any specific objects to be obtained, was never associated with a timeline. It was a three-year strategic plan, if you remember, but there was no year one, year two, year three. There were no actions. So it was very high-level. It was maybe a little bit more mission than an actual strategic plan.

And then we had annual operating plan and budget that was not -- that was inspired from the mission but not necessarily the result of a set of objectives, strategic objectives to be achieved. As a result, the -- as we have discussed with Roelof and others, the organization forever, over the past 15 years, has really budgeted for a level of effort rather than planned for an objective to be achieved. So I remember having a number of conversations with you guys before and

asking how can you elaborate a budget without objectives, which is very simple. You plan for a level of effort. You had 10 people last year. You have more work this year, struggling. I need one more person. I'm going to budget for 11 persons.

That's what their level of effort is at the end of the day. And therefore, what we are, luckily the timing is right to now, um, elaborate on the fact that now we have initiated the first phase of a standard and I think of a process, the planning process, a standard planning process that starts with a long-term strategy, five years. The ICANN strategy panel had started working. Their output will be used by community, and board, and staff to elaborate a five-year strategy. That's the first phase of the process. The next phase of the process will be meant to develop a plan, an actual plan, objectives by year over five years with quantification of resources, metrics of achievements, whether they are -- those metrics are quantified or they are qualitative (ph), but it can be milestones to be achieved. Sorry.

Denise Michelle: Gabby, I emailed you some slides. If we could pull up slide 7, the illustration might help facilitate this conversation.

Unidentified Participant: I don't know if anyone can hear me. But if you can, can I have the slides?

Xavier Calvez: So continuing on that, developing the five year plan with the metrics, the resources, and when I say resources, I mean financial statements, right, P&L cash flow statement over five years, and for each of the five year of the horizon. And then the annual action plan with quantified financial statements, metrics, objectives becomes naturally the starting point for the annual operating plan and budget. You will provide your feedback, but I think your previous comments relative to what ICANN should do on a strategic planning process are relatively consistent with I think what I described, and you will correct me if I'm wrong.

So we are now at the beginning of that strategy definition phase. Denise and I have worked a lot internally and continue to work internally to put in place a process that's going to help us design the standard planning process of the corporation along those lines that we've just described and that are now on the slide that is -- that just has appeared. So the work of the panel had started. Yes?

Denise Michelle: Sorry, I just want to clarify that. So you'll recall back in April when we actually started the brainstorming and conversation with the community. And that and the subsequent discussions and input that we received from the CTNSO and other community members through the Durban meeting and through September resulted in this initial draft text of the vision, mission, and focus area goals that we have out for comment through January. We're using this text as a basis to gather more focused community input on what our measurable outcomes should be, how we should measure specific targets within this plan, and this will feed into a proposed final strategic plan that will be posted again for community comment early next year.

The strategy panels are only one of many inputs into this process. And as you'll hear more tomorrow, the output from the strategy planes by the end of January will be posted for public comment. And if appropriate, depending on the comments we get from the community, will be incorporated into the final strategic plan.

Xavier Calvez: Thank you. So the first step is basically being elaborated for -- to develop a long-term strategy. In parallel of this work happening over the next few months, Denise, and I, and with Susanna and Theresa will be working on developing and implementing in the organization a planning process that has the steps that we're

describing here. Because as -- I'm speaking to the choir, but the -- this cycle of planning is something that needs to happen on an annual basis. Right, where you revisit your strategy, which normally should not really change, certainly at the high-level. How you get there may, but your strategy does not necessarily change. You reassess whether the action plan, the objectives and the action plan are still adequate based on new information that may have come during the year. You reassess the -- you have measured where you have progressed, up to what point you had progressed over the past year, and you would then reassess what are the milestones in front of you to reach your five year objectives. And you basically update your strategic plan and that then becomes the new input for the annual operating and budget that comes.

So this is an annual cycle at the end of the day that we want to be able to design, embed into the organization, across the entire organization. We'll need to share obviously in and ensure that the board is aligned, and enable adequate communication with the community on each of the phases of this cycle. So it's going to take time. It's a cultural shift for ICANN as a community and certainly for the staff. We need the right skillset. We need the right process design, process implementation, and skill to carry this process. And honestly, at the end of the day, putting it in our DNA.

So because of the steps of the next few months, we are expecting that the planning cycle for FY '16, which should be starting basically July 2014, next year, is the first cycle that we're expecting to be able to contact as per this new approach. Let me stop there and see if anyone has questions, or comments, or reactions.

Unidentified Participant: Xavier, I don't know if you can hear me. Can you hear me now?

Roelof Meijer: Yes, you -- yes. You are very loud and clear. You are very loud and clear, Lesley.

Lesley Cowley: Well, that makes a change. Hi (inaudible). Xavier, I have not got your presentation, which makes it slightly working in the dark. But I'd just like to say in theory, the latest version sounds like an improvement. But I think it must be at least the fourth ICANN strategic planning process that I can remember. I think one of the things that the community, and particular the SOP will be looking for is reassurance that feedback that is made is heard. And I'm not really clear how the latest process will ensure that. So certainly I think myself and others are looking for the you said this, our response to this is so and so, whether or not that feedback is taken onboard or not. I think that's a phase that's been missing in many years.

Denise Michelle: Hi, Lesley. This is Denise Michelle and I'll send you the slides that we're looking at. So the process has changed over the -- well, since 2008, certainly, when this group was created along with the change in CEOs and change in many Board members, and some personnel. And as the ICANN has matured, I think we've now found sort of a steady state interconnected process that we can carry forward for several years. I think what would be particularly helpful to get from the CTNSO and this working group is some guidance and input on -- as part of this process, particularly finalizing the strategic plan, but also going forward as we address and create the operating plans that flow out of it.

What would be -- what process would work best for the community to have you more integrated in the process. I think that -- and I think clearly we need, especially for the operating plan and budget, to add more details and more established processes to make sure we have the feedback and the response in the way that the community finds useful. But I think term insurance would be helpful to get more guidance on that. And Xavier may have --

Xavier Calvez: I'll add a little to what Denise just said and Lesley, if I misunderstood, please correct me. But as we will design this planning process that at a very high level you were describing earlier, the mechanisms of communication with the community at large I would say, and with specific groups, will need to be determined what is the best mode of interaction for each phase of the process is not something that's yet been defined and will need, obviously to be defined as part of the process. Am I understanding (inaudible) with this response -- did I understand correctly your question on whether or not -- ?

Lesley Cowley: Sorry, not entirely. I mean, my point is, I think that, I mean I'm not trying to speak on behalf of the SOP, but just for my own perspective, I'm sure we would recognize an enhanced process. I would say that we are also looking for a commitment to hearing the feedback and responding to it much more than previously.

Xavier Calvez: Okay. So I'll be blunt, if I may.

Unidentified Participant: Oh, yes. I'm definitely not going to be the person that is telling you not to be blunt.

Xavier Calvez: So the commitment on the interaction with the community, I can tell you anything you -- I want now. It doesn't matter much until we have an actual process that's documented, formalized, and communicated to you that includes interaction and interaction in modes that you recognize can work. And honestly, I would even argue that if I would be in your shoes I would actually believe that plan once it started to be implemented and that the first interaction would have effectively happened.

So in the meantime, if it helps starting to elaborate on the commitment that you're referring to, Lesley, and hopefully it will be helpful and a token of transparency if not a commitment, is that we do recognize that the comments that have been formulated in the past by this group or others on the strategic planning process have not been responded to in a fashion that provides a full comprehensive answer to what those comments were. So having said that, do we want to commit to listen correctly and be able to respond correctly to the comments in the future? Yes. We will make sure that as part of the planning process we have a - - we include a clear set of interactions or a clear communication plan, really, with the community and the board, and of course the staff, to -- that enables both ways communications, including a response. What shape, what form, what frequency it's on, don't know yet,. This is what we need to be able to define.

To me, as an example, the public current process (ph) has some value. I don't think it's very interactive. I don't think it's very easy to have a working interaction as part of the public current process. It has other advantages. So the public current process is not, in my view, sufficient. I'm not saying it shouldn't be happening. I'm saying it's not sufficient to work through budget, operating plans, or strategic plans in my views. Having said that, what solution we will suggest to retain is something that we'll need to have more discussions on and that we will try to formulate as suggestions as part of the planning process that we're going to design and submit for review and discussion.

Roelof Meijer: Before I hand over to Mathieu, Xavier, thank you very much for your input. But I think Lesley's point is more that it's very good to have a new process. It's good that we finally get good plans with metrics, and milestones, and that there is a connection between the strategy, and the budget, and your traditional plan. But I think that we need one more other thing apart from commitment to execute it the way we all plan it now. And that's also, I think, a change in attitude. It's not just the plans and the process that are wrong. It's also the way that ICANN responds

to input, even if there is enough to respond, and even if there is a plan. I think there you have to improve as well. And I think we need -- I'm sure that we need commitment on that part of the process as well.

Mathieu?

Mathieu Weill: Yes, thank you Roelof. That was meant to be a follow-up on the earlier comment by Denise, but there have been so many other follow-ups already. But blunt for blunt, I will be. I am no longer interested in process. Pick a process. Whatever it is, stick to it. We've said that before. We don't care. There's a lot of people around the table. We're here to discuss about not having metrics, but which metrics, not having goals, but which goals, and when are you providing this forum for discussion? Right now, the frustration that we have is that we keep being stuck into discussion about processes being followed or not followed. I know in some parts of ICANN people like this. I don't think that's the case around this table.

We're people who are interested in helping ICANN into the cultural change you've mentioned and if you want to do this cultural change, my first advice is don't wait for another nine months. If you want to do a change, you need short-term victories. What are they? Where are they? We need them now if you want to be able to do your full year '15 change. That's (inaudible) my blunt comment.

Roelof Meijer: Want to respond to that or do I -- ?

Xavier Calvez: So I'm struggling a bit to manage to address this well, so I apologize in advance if it's not sufficiently clear or adapted to your comment. I think that the planning process or lack thereof needs to be addressed in a structural fashion. And I'm not saying that addressing it in a structural fashion doesn't include quick wins. But if we want to do things in a very short-term fashion, again, we're going to fail again at putting in place what structurally the organization, and when I say the organization, I don't mean the ICANN staff, I mean the organization at large, effectively needs. I think we'll come short again.

Now, again, it doesn't mean that we shouldn't be planning and including improvements in a shorter fashion to the process that help us produce content that can be discussed, and hopefully that will be a bit more obvious on Wednesday morning at 8:30. But I'm struggling to understand how we cannot speak about implementing a new planning process and the process will produce the content. Without the process, we won't produce the content.

Denise Michelle: Just to add to it, I guess perhaps in a more positive vein, this group told me and told ICANN, what you have right now, just before this effort started in Beijing, what you have right now is a strategic plan that is more a collection of projects. It is not a visionary plan and a strategic goal for the organization. It needs to be more high level. It needs to address a longer timeframe. And so I think that's a win for this group. This is one of the few groups, as you know, in ICANN that actually has members who create strategic plans and implement them. It's not a process that a majority of community members, we find, are comfortable with and understand.

And so, we followed the guidance of the CTNSO on taking a new approach to creating a high-level strategic plan. And then, and so the next step is to make sure that we understand what the community thinks should be our specific measurable objective and metrics, make sure that that's factored into our strategic plan, that they have another chance to comment on it before it's finalized next year, and that that serves as a strong foundation for a five year financial plan and then annual operating plan. But I think we need to make sure, as you've advised us, that we've got the right process in place to have that

community interaction next year as we go-forward. I think part of the challenge here is that because of the timing now of this it's the FY '16 operating plan that will be the first full plan based on the new five-year strategic plan. And so you'll find that as Xavier has said, I think the FY '15 operational plan and budget will be a transition year and I think it would be useful also, if not today, but to focus on the process for that as well.

Xavier Calvez: Since you're getting into that, which is exactly where I was going --

Roelof Meijer: Hang on, Xavier. I first want to ask the floor. Giovanni?

Giovanni Seppia: Thank you, Denise and Xavier. I have one very practical question and it's about the regional strategy. And if you can enlighten at least me or us where they will go, what's going to be (inaudible), what's the future of these regional strategies? It's a bottom up process so it comes first original strategy then provides input to the big strategy or the strategy plan is going to serve to, let's say, give that action to the regional strategy and therefore the regional strategy is something that at certain points, to be very honest, this consultation that are happening, if the strategy plan gives direction it's quite useless to provide wish lists because, again, it's the big wish list is in the strategy plan. Therefore, the regional strategy just enforces that regional level what's in the strategy plan. So what about the regional strategies?

Denise Michelle: Thank you, Giovanni. That's an excellent question and it might be useful if you have time to hear more about how the global stakeholder engagement team is helping to facilitate the bottom up community process of developing these regional strategies. But several, at least the earlier strategies, the ones -- several of the ones that have been developed so far has sent some very practical, project oriented strategies and objectives to them that would be more appropriate to feed into operating (inaudible) rather than a high level strategic plan. But certainly, the directions that have been articulated so far in the regional strategies have informed what we have to date in the vision mission and focus area goals.

And so they're a point of input into the strategic plan and they'll certainly be a factor as the operating plans evolve as well. Does that help address your question?

Giovanni Seppia: Yes, and there's a follow-up question, which is the timing of these processes. Is it the timing that you have envisaged now for it's going to be like in 2016 basically that is going to happen like that? Or what's the timing for these regional strategies now? Because again, there's quite a lot of -- unclear margins around the regional strategy.

Denise Michelle: Yes, and I don't have the details on the timing and more the operational level issues surrounding how the regional strategies are unfolding. And I think Bart can probably get you some more information from the global stakeholder engagement team. And we'll follow-up on that. I don't have additional details on the schedule for the various regions. I know that they're inviting the community in various regions to drive this effort. I don't know if they've got specific schedules or -- so we'll find out.

Roelof Meijer: Any other questions up until now? Leslie, are you still there?

Lesley Cowley: I'm still here. I'm waiting for some reassurance still. Xavier and Denise, I, to be frank, as it seems we're having a good trend on being frank today. I think we're looking for that from (inaudible) and no amount of process will reassure us on that commitment I think just yet. And you're right, we need to see how it works in practice. But I think I'm looking for a commitment from the top as well.

Xavier Calvez: I just wanted to follow-up on the previous subject that we were discussing on incremental changes leading to FY '15. So as we've described with the strategy panel process that's been initiated and that will conclude around the April or May timeframe with a redocumented or redefined strategy for five years, while this is happening, we will conduct the operating plan and budget process for FY '15 because it needs to be finished by the same time. So obviously, that will have to be carried out without the strategic input that we want all to have, but that will not have yet been formulated and done. So that's why it's going to be another transition year because we won't have that input then.

So what we are trying to introduce in the operating plan and budget process for this year that's coming up is the formulation of objectives at the end of June 2015. Basically, what does each function of the organization think they need to achieve by the end of June '15. So that we establish objectives rather than budget for effort, again. And obviously, this is not the result of a five-year strategy. It's only looking at the midterm I would say, the 18 -- the next 18 months basically, and using that input, which will be the subject of a public comment process, to receive comments, finalize that set of objectives by function across the organization so as to develop the budget for FY '15.

So this is starting -- so we're targeting the public comment process for the high-level objectives by function to happen between early February in Singapore, finalize that set of objectives by the end of the month of March right after Singapore, and use that to develop the budget. It is not going to give a strategic rationale for every dollar included in the budget. But it should help us rationalizing why there is \$1 million there or \$500,000 there, or 10 people there. So again, it's a little bit of an intermittent. It's a halfway measure, I would say, but hopefully it will be an improvement versus our 15 past years planning process where we didn't have that.

So I'm not sure that qualified as an example to the quick or short wins that Mathieu was elaborating to, but I wanted to address at least the next year's process because we've only spoken before of the FY '16 process.

Mathieu Weill: Xavier, I think it would very much help us if before you start the process for the FY '15 ops plan and budget that you respond to our major comments and explain to us which ones will be taken into account into the FY '15 process and which ones will be postponed until the strategy can be translated into the FY '16 plan and budget. Because otherwise, we will either just remain silent to avoid becoming frustrated again, or we will submit comments that still you won't be able to deal with and, well, we know what that leads to.

Xavier Calvez: Okay. And (inaudible) this is a helpful way to (inaudible).

Unidentified Participant: We're speaking of different timelines from different objectives and one of them hasn't been mentioned yet. It's strategy panels. How do they fit in that graph here? What is expected of them in terms of goal setting, of focus, of metrics? Is it nothing or is it part of their scope to provide inputs on this? Because my fear is that strategy panels with external people usually broaden the scope, provide high-level ideas and if it's taken into account into the next strategies than most of our comments will be totally ignored. Because we were calling a lot for focus, better identification of goals, and so on and so forth. So how does that -- those funnels fit into the (inaudible)?

Denise Michelle: Sure. So the four panels and the relatively small panels, most of them, and the volunteers on them have been asked to address sort of key objectives in specific areas. And we're asking them to provide relatively high-level strategic advice, certainly, but along with that, more targeted objectives and suggestions on how

we can measure the accomplishment and goals that they're suggesting in their respective areas.

And so we've asked them to have that available for the public by the end of January 2014 so that the community will have time to consider what they're -- and comment on what they're proposing before we consider whether it's appropriate to incorporate it in the strategic plan, and actually the operating plan if they actually go into more detail, into more sort of project level detail.

Unidentified Participant: So if I follow correctly, none of the proposals will be integrated into the operational plan before fiscal year '16. Is that correct?

Denise Michelle: I think --

Unidentified Participant: (Inaudible) by coincidence?

Denise Michelle: I think that's --

Unidentified Participant: Or they have a fast track somehow.

Denise Michelle: Well, I think that's certainly the intent. And I guess I could envision an occurrence where one of the panels provides -- goes into more detail and addresses something that is more current and has a specific suggestion of a project that the community may want to consider for FY '15. But the timeframe intended for these panels is for the strategic plan, and then for the FY '16 operating plan and budget.

Xavier Calvez: If I may elaborate just a little bit, as Denise has indicated, the input from the strategic panel is expected to come at the end of January, which is also about the timeframe we're doing the public comment process on the FY '15 objectives that I mentioned earlier would start. So we would expect along the path of the development of the FY '15 operating plan and budget, have some insight, even if it's not finished, even if it's not finalized and completed, to have a certain amount of insight on the work of the panels and on potential impacts of that work on FY '15 that could be taken into account before the FY '15 operating plan and budget is finalized.

Mathieu Weill: I'm a little bit confused. We're struggling to do a change, inserting very traditional settings into the way you build your strategies, goals, metrics, et cetera. I hear it's a cultural change that you want to pursue, but it's going to take time. In the meantime, we'll keep adding things on if necessary, which is what you're saying. What I hear is that -- because -- and the strategies about making choices. ICANN's strategy right now is getting input from the strategy panels, putting them into place and we'll see later for a strategic process, okay, let's assume it.

Let's just say it is an issue for me because I think the strategic planning process within ICANN is an accountability issue. It provides a way for ICANN community members to make ICANN accountable for, I was planning this for next year. This is what I delivered. This is still missing broadly. I am overstating it maybe but this is not (inaudible). It's okay if you say, we'll do that later. We have other things on our minds. Just let's not work on things that are not priorities.

If there are other priorities, let's focus on priorities. If today the priority is internet governance and delivering GTLDs, let's forget everything else. Let's not discuss what strategic process if what is on ICANN's management mind is definitely just to own time on this. I think that's -- that would -- I am expecting reassurance for the future, but I'm also expecting some form of priority about, oh, we don't have time now. If you don't have time now, let's close the discussion about this, move

onto the discussions that are clearly on the agenda right now for you, for Fanny (ph), for Theresa, and focus our energy there.

Denise Michelle: I hear you. We agree and getting this steady state strategic and operational and budget plan with the community input in place is a priority.

Xavier Calvez: I'm sorry, I'm not understanding what you're saying. I'm not sure. So maybe we need to have a separate conversation. I'm just not understanding. The -- I think that putting in place an adequate process is something that we're working on now because I think we believe and I think the management of ICANN along with Denise and I believe that it's a priority for the organization to put in place a process, which we've never really had to that extent or to the extent that I think we're thinking of. If we don't consider that a priority then it will never be put in place, whether in FY '16 or ever. So if we don't work on it now, this is never going to happen. That doesn't mean that multi stakeholder model or internet governance or not things we should be working on right now either and that we should make the choice between the two.

So maybe I'm not well understanding the notion of focus, or choices, or priorities that you were trying to point out to. And when you say, if you don't have time now to do anything else than governance, let's say that and do that. But I'm not clear on what you mean by that. I'm sorry. I'm struggling.

Roelof Meijer: You want to clarify or -- ?

Mathieu Weill: I don't know if I can clarify but what I mean is that I'm not denying that you take the strategic planning process very seriously and you think it's important for ICANN. And you've been consistent saying that. But what I call a priority in strategic plan is how much time does the CEO spend on this? How much time is he personally involved in putting it in place? Would he fire someone because he's not providing a goal, or metric, or not accountable for that? That is what I call a priority and it doesn't mean that things that are not priorities are not done. They're just important things to be done and right now, I think there are more important things that are being done. And the difficulty that even you have internally, I guess you get the feedback, yes, I think about this. But right now, you know, I'm very busy. There's this thing with the GTLDs and this thing, and that's actually the feeling I got from out different exchanges, the exchange of process. And that's just my perception. I'm not saying that that's (inaudible) to clarify.

Roelof Meijer: Okay. Thank you.

Xavier Calvez: That's helpful to understand it better. Thank you.

Sabine Dolderer: (Inaudible). What I see and I think it's not -- we are not (inaudible) seeking, but we are doing (inaudible) and I understand the frustration from Mathieu. We are reiterating our comments I think a couple of years now. So and every year when we receive sort of a report and say, yes, but next year we'll make it better. And next, we definitely have a much better process and sometimes we change the -- and we will come up with something. And maybe it's helpful as an intermediary result before we see now, okay, ICANN is starting with a strategy to come up with a (inaudible) up front, but what is the strategy until then, until a plan is developed? What are the actually narrow -- what's the narrow strategy? What are the next milestones what we are talking to. So we're having a sort of a, let's say if we have a three year great process about five year strategic planning, that's great. But what actually could we -- what's the interim to have a sort of, what are the next milestones to -- because sometimes for us it looks like that ICANN is navigating in the darkness.

So -- and every time when we meet, we get the promise, yes, it's very complicated. I understand that. We have to incorporate a lot of people. That takes a lot of time and three years later the result is that the process doesn't work quite well and therefore we have to wait another one. So maybe sort of an intermediary plan, what's actually -- which is very down to earth, a lot of talking about processes, but maybe what just the (inaudible) wants to achieve the next couple of things until the great process is implemented or the stakeholders are heard, we know what the strategy for the next five years (inaudible).

Xavier Calvez: Sabine, I think that's quite a fair comment and if I look at this process, I would also like to issue a warning in this. Don't overcomplicated methods. Because the core of ICANN's role hasn't changed. And I was a bit taken aback by the fact that this whole strategic planning process started with an open question, what do you think that we should do. And if you ask that kind of a question, you get a very diverse response. While there is actually a very clearly defined role for ICANN and the strategy should be derived from that. So I do hope that all the strategy panels will add (inaudible) to the plan. But it's not so very difficult I think and we can always improve along the way, but I agree with Sabine that something in between might actually help and it might help us understand where you're aiming at. But it also will help ICANN to see if it's delivering on what it intends to deliver on.

Denise Michelle: May I respond to that and then -- Xavier, have some comments following up on Sabine's.

Xavier Calvez: Sorry to interrupt. We had three points on the agenda. Just to make sure, I think we are already on the second one because the first one was way forward and I mean there's a bit of a grey line between the two, but this is on the strategic process and strategic plan.

Denise Michelle: So as this group actually pointed out, the current strategic plan is more a collection of projects rather than a high-level strategic plan. And that needs to be longer term. And so we purposely started this process in April with some very bold questions and a wide open brainstorming effort to try and help the community, or should I say, the rest of the community step away from the more project oriented and the more short-term oriented plans that they were used and get into a more anticipatory mindset, and frankly, a longer term mindset. And I think in many ways that proved useful, which is why we started out I think at quite a broad level.

But as you'll see, we have a new proposed vision, the automobile mission, and some specific goals that we want more input on. So we're still operating -- we're proposing to operate relative to our same mission, but reprioritizing and targeting some different specific goals. Xavier?

Xavier Calvez: I'm not sure if Sabine's idea that she was explaining on a more midterm or shorter term (inaudible) five years set of activities is necessarily what I was describing earlier the FY '15 process is going to include. But I'll repeat very quickly what I said earlier is that as part of the FY '15 planning process, we're intending to have a first step, which is the formulation of the objectives to be achieved by each function of the organization at the end of June 2015, which is the next fiscal year that we're going to be planning for. So it's an 18-month horizon if I start from January 2014 until June 2015. So the next 18 months horizon, while the five year strategic and corresponding strategic plan be documented and then developed.

Roelof Meijer: Let me see if we have questions or remarks from the people on -- Paulos, if I'm not mistaken, you're there too? I seem to be mistaken. Lesley, are you still there?

Lesley Cowley: I'm still here.

Roelof Meijer: Okay.

Lesley Cowley: I'm hearing a focus on the process, which is good. I'm not sure I entirely agree with what I think was Mathieu's sentiment in that if we've got too many things to be going on with then let's not bother our time on this. Because I think the clarity and a clear strategic plan could be incredibly helpful for ICANN going forward, particularly given the wider internet governance context. And I'm hearing lots of things about process. I guess what I'm not hearing is the commitment I was seeking earlier to listening and responding to feedback. And I would just ask Denise and Xavier to take that further on up the chain, if you would.

Roelof Meijer: Bart is getting quite annoyed now. So Bart, speak up.

Bart Boswinkel: So hi, Lesley. Do you have the letter in front of you?

Lesley Cowley: Not currently. I did have earlier. I can only have so many windows open on this laptop.

Bart Boswinkel: Let me state it this way. It's -- that's why -- it's in the final paragraph. The whole letter is about the foundation of creating this foundation. That's what we've been discussing. And I think what you're seeking for is responsive and structured planning process. The responsiveness is around, say, some of the issues that the SOP had in the past of getting a response back from ICANN on its submissions, whether they agreed, disagreed, but that it is not going into a dark hole. And this word of responsiveness is around that particular topic, and therefore it's included in this letter.

Lesley Cowley: Park, I've just got the letter up. Thank you for that. That's helpful to have the explanation. I didn't hear that coming through in some of the responses earlier, which were focused on process. And I think if responsive can be expanded upon during the discussions this week, that would be positive progress.

Xavier Calvez: Okay. Thank you, Bart, for your input and yes, Leslie, it's a bit hidden but it's in the final two sentences. It's a single sentence, even, last paragraph just above, again, thank you.

Lesley Cowley: I have read that and I guess I'm looking for something a bit more than one word, but I'm (inaudible) some reassurances.

Bart Boswinkel: In addition to it and that's an important part of this letter as well. If it ends and this is the invitation of this letter, it's -- in order to create such a responsive and structured process that ICANN staff present really wants to, say, work with the SOP and other members of the community to create such a process. Because it can't be designed by ICANN staff itself. Because fortunately, I am aware of the timeline the SOP needs to deal with, but you can't expect, I think, and we talk about it, but it's not in, say, in the mindset of the others. And going forward, is the process needs to be responsive. It needs to take just not into account the way a group like the SOP works, but also needs to take into account the timeframe and the timelines ICANN needs to have a major substantive process on the comments needed or comments submitted.

So it's that type of -- that part of the process that needs to be discussed so everybody is comfortable around it. That is the implication that I think --

Lesley Cowley: I see that, Bart, and I guess my concern, and it's interesting listening to this as opposed to being there in person. Because when you're listening, all you're

hearing is repetition of process. And that's I don't think what the SOP is getting at. It's about hearing is the word I'd like to be used more. So the letter has talked about amassing community input, as opposed to hearing and responding to community input, for example. So we could talk about language and we could talk about process at length. It's looking for that step further given the history that we've had thus far, I think, to hearing feedback.

Unidentified Participant: Lesley, thank you. What I'll do is I'll try to get reassurance and commitment from ICANN's Board and CEO on the creation of what is mentioned in the letter, a responsive process, a responsive and structured process during our exchanging, is it Tuesday, I think, Tuesday morning. And we'll get back to you on that. Is that okay?

Lesley Cowley: Excellent. Thank you. Yes.

Unidentified Participant: Anybody else?

Denise Michelle: I just want to call your attention to the -- tomorrow, there's a board discussion with the community on strategic planning. The Board and CEO will be there. I would encourage you to also share your priorities and your views with them as well. The Board and CEO very much see their role as driving, of course, the strategic planning process. And it would be helpful for them to hear your comments directly as well. Thank you.

Roelof Meijer: Okay. Do you know when this is?

Denise Michelle: It starts at 5:15.

Roelof Meijer: 5:15. Okay. Thank you. Well, thank you for being here. Just want to have the temperature in the room. Do we have enough to have a believe in the way forward of the room or whatever? It's the (inaudible) question and I think you know what I'm getting at. Are we temporarily satisfied? And I realize the proof of the pudding et cetera, but because we were on the verge of just giving up, rolling over, play dead or something and --

Denise Michelle: Please don't do that. The staff is really counting on this group in particular to help us create what will be a sea change for the staff, the community, and the Board sincerely.

Roelof Meijer: Because we were wondering sometimes.

Denise Michelle: And the message has come through loud and clear, especially in the short-term transitional process. We need to make sure that there's a clear process for acknowledging the input, the specific input that we get on these plans.

Xavier Calvez: Okay. Famous last words from me. I mean I'm happy with the response. I'm happy with your commitment. It's just I'm a bit reluctant about the (inaudible) we had almost roll over and play dead and we had to write this letter to get this response. And I would like to have your commitment that from now, if we provide you with input, that we get a response. And if the response is sorry, you're right, we can't do anything with it at the moment, just give us that. But I mean, I think it's stay quiet, which is the most damaging bit. We understand that you get heaps of comments and it's impossible to implement them all and you cannot do everything at the right time or the same time. But just give us a response, which is almost an open and that we can use in our process.

Roelof Meijer: Debbie, you wanted to have some famous last words too?

Debbie Monahan No, because I'm on one of the panels. So I'm speaking kind of to be contributing from the (inaudible) things as well.

Roelof Meijer: Okay. Thank you. All right, thank you people.

Denise Michelle: Thank you for the opportunity.

Roelof Meijer: We'll be in touch. That's for sure. Okay. Where's the time? Twenty minutes. I think we will -- we risk ending up ahead of time. If I can (inaudible) I can use to connect. Where's the cable from the -- is that one, Byron? No, no, I mean the cable. Okay. Thank you, sir. Thank you very much for this hilarious interlude, Giovanni. I think you'll manage. Shall we go on? Okay, thank you people.

Probably as most of you have seen, there was a call from the CTNSO council to us all and to us all, I mean the CTNs or community to help respond to the ATRT 2 recommendations. And there wasn't so much of a response from the community. So I think in the end it was -- it were members of the CTNSO council that said, okay, I'll take this part and I'll take this part. And I volunteered to take the part on the financial transparency and accountability. And I think I choose meaty party this time. But what I wanted to do, what I would like to do is take you through the recommendations to see if you're happy with me providing some feedback during the CTNSO meeting on behalf of the SOP working group. And then if you feel that it should be different then please be open about that.

But I think it will be good if we can come up with something tangible during that session because one thing is sure that this group has spent an enormous amount of energy on coming up with these recommendations, and I think they're pretty good. I can recommend you to go through them, but it's a big document, something like 70 pages or something. I think Lisa (ph) will help us go through it on Tuesday. Is it Tuesday or Wednesday? Tuesday.

So Lesley, I'm sorry, because I have that part of the recommendations on slides and I don't think you can see them but I didn't send them to anybody.

Lesley Cowley: This is true.

Roelof Meijer: But of course you have read the whole document already, right?

Lesley Cowley: No, not yet.

Roelof Meijer: Okay. Okay. Well, maybe I'll read the most important bit of it. Let me see if I can get to the second slide somehow. I don't know how that works. Oh, there it is. We're on four already. Three. Two. Okay. Okay. One of the recommendations, and it's a more general one, explore mechanisms to improve public comment through adjusted time allotments, forward planning regarding the number of consultations given and anticipated growth in -- given anticipated growth in participation and new tools to facilitate that participation. It's a point that we've made before, plan well so that we know when we have to work because if you change your planning then we'll be busy doing other things. That's the rough translation.

So I think there we can just say we agree. Yes? We agree that -- we agree. Excellent. The next ones are specifically about financial transparency and accountability. The first one is the recommendation that ICANN and it takes a special scrutiny of its financial governance structure regarding its overall principals, methods supplied, and decision making procedures to include engaging stakeholders. The board should implement new financial procedures in ICANN that can effectively ensure that the ICANN community, including all SOs and ACs can participate and assist the ICANN Board in planning and prioritizing

the work and development of the organization. I think that's very much in line with our recommendations.

ICANN should explicitly consider the cost-effectiveness of its operations, a point we've made repeatedly. When preparing its budget for the coming year, it should include how expected increases in the income of ICANN could be reflected in the priority of activities and pricing of services. Especially that last bit I think is new to us. The rest. And then every three years, ICANN should conduct a benchmark study on relevant parameters, for instance, the size of the organization, levels of staff compensation and benefits, cost of living adjustments, et cetera. I don't know what living adjustments are, but I think it's living arrangements or something.

Unidentified Participant: It's moving from one (inaudible) another.

Roelof Meijer: The cost of moving closer to ICANN wherever ICANN is moving. Okay. So any comments on?

Lesley Cowley: I'd like to comment on that, Roelof. Just I think if I heard you correctly, it was saying every three years and I would just suggest that sometimes the market for good people moves much more quickly than every three years. So I would want to ensure that ICANN staff have, or ICANN leadership has the tools at hand to be able to recruit and retain good caliber staff.

Roelof Meijer: So which would imply that the benchmarks -- it might be necessary to conduct them more often than every three years. In fact, (inaudible) and we do benchmarks at SIDN (ph) and we do them more often than once every three years. But.

Lesley Cowley: Ourselves too.

Roelof Meijer: Yes, okay. The feedback I'll give to the ATRT 2 team is that somehow they have to include the line that often as necessary to make sure that ICANN remains competitive as an employer, something like that. Okay. And then there's the one, which we will really welcome. ICANN's Board should raise the yearly budgets on the multiannual financial framework, reflecting the planned activities and the corresponding expenses. The following year, a report should be drafted describing the actual implementation, so the goals that have been obtained. Here, the only suggestion I would like to make to the ATRT 2 team would be that ICANN's Board should raise the yearly budget on an annual operational plan and that annual operational plan should be derived from a multiyear strategic plan. And of course, a multiyear plan also has a kind of a financial plan. But it's the operations that determine what you spend. Mathieu?

Mathieu Weill: Yes, my suggestion because I'm very much in line with this recommendation would be to be even more precise about what's expected after completion of the period of time. I think accountability starts with looking at yourself, whether you accomplished things, whether you did it right, and I think just drafting it into a report, you usually fall into a yearly activity report, 30 pages, very communication oriented instead of what is expecting in terms of accountability (inaudible) operational plan, the goals. Say, this is done, this is completed, this is halfway through, this has been canceled, this has been added. And I think

Roelof Meijer: I think -- okay. I think that's (inaudible).

Mathieu Weill: It's just a matter of wording to be probably more binding for ICANN by getting into more details on that advice. Maybe we don't have to do it ourselves, the details, but suggesting that the ATRT puts a lot of emphasis on this so that ICANN cannot claim to have completed the recommendation without actually doing this.

Lesley Cowley: Okay. You might want to repeat that point tomorrow. I'm not sure if I can reproduce it as well as you might. I'll do my best. Okay. And then I'll just continue if there are no other remarks. The ICANN Board shall improve the budget consultation process by, for instance, ensuring that sufficient time is given to the community to provide their views on the proposed budget and enough time for the Board to take into account all input before approving the budget. This is a very well phrased point that we've made before and I think the commitment of ICANN to do this is already in the letter we just received.

The budget consultation process shall also include time for an open meeting between the ICANN Board and supporting organizations and advisory committees to discuss the proposed budget. And that's a good addition, kind of - - yes, after having received all the input and worked that into the draft plan to have a session where the community can still discuss with the Board what they intend to put on paper. Hearing none. That's it.

So are you happy if I give that kind of feedback that you just discussed to the ATRT 2 team tomorrow? It's Sunday, right. Yes, so it's Tuesday. Normally I'm in church on Sunday. No, I am not. Okay, with that, we are at the end of the agenda for this afternoon. I don't think there are any other -- oh, have I missed something, Mathieu?

Mathieu Weill: Is the consultation ongoing on the draft mission, and values, and so on, and focus areas for ICANN? Are we skipping this one officially? I'm all in for skipping it and not commenting or even commenting that we're not commenting.

Roelof Meijer: Well, that might be rubbing it in too much really, but it's good that you asked the question. Because during our last session, I think it was the Beijing session, we had a discussion on this. And at that time, I proposed, listen, we gave the input for the strategic planning process. We've never heard anything back. There's a new round of questions and input so let's wait until there is a draft strategic plan and see if we want to comment upon that. Now, there is something like a first draft of the strategic plan. I had to ask Bart's help to find it, which is probably mistake, not ICANN's, by the way. But I don't know how many of you have read through it. And you have? And are you tempted to propose that we comment?

Mathieu Weill: No, I had just one comment, which was that there are five strategic focus areas, each with five to eight bullet points, which adds to about 30 plus community inputs still to be received. So forget focus. It's a consolidation of ideas rather than anything that has to relate to making the choices and identifying what's really important from what's important.

Roelof Meijer: But then since this plan in a year is going to be the (inaudible) point for all the other plans that we're going to get, I think we should seriously consider --

Mathieu Weill: I think we should skip, skip commenting.

Lesley Cowley: I disagree.

Roelof Meijer: Yes, I expected so. Okay. Thank you, Lesley. Recorded and Sabine is disagreeing too I think.

Sabine Dolderer: If I'm disagreeing, I want to come up with a follow-up question. We see currently (inaudible) in a lot of different roles running around where he tried to suggest changes to the operation mode from ICANN the organization and I just want to ask if we know how that actually fits into the strategic planning process and what the strategy in there. And if you (inaudible).

Lesley Cowley: Sabine, I think that comes in ICANN 5 on the focus areas, which is defining role clarity for ICANN in the internet governance ecosystem. I mean why I think we should comment is because we can reinforce the words we've said previously about ICANN focusing on its core mission.

Sabine Dolderer: On one side I agree, on the other side I disagree because I think (inaudible) clarity is the one side but the other side is also where is the organization as an organization heading for. And is there a strategy.

Lesley Cowley: I think we're agreeing for once that that's why we should comment on the vision and mission and the focus areas.

Roelof Meijer: I tend to agree. Giovanni?

Giovanni Seppia: First of all, it's my pleasure to disagree with what Mathieu said. I think we should comment or at least one page comment and I'll gladly (inaudible) just reiterate in the message that we have been putting forward so many times. Regarding the providing a response to what Sabine said, I don't know if she had time to read the two blog entries, one by Steve Crocker and one by Fadi (ph). And the funny part was that they were posted (inaudible) at the same time. And the first one was by Steve Crocker on behalf of the Board given the (inaudible) data to Fadi on behalf of the Board to explore possible new area for ICANN to get involved in how the internet governance is developing. And then of course, there was the blog entry of Fadi saying I'm happy to do this. I'm doing that. So I think that was something that was also one question that was brought up during the IGS in Bali. What were the, let's say, what was the background beyond Fadi's action about this coalition staff, about everything. And I think the blog entry of Steve Crocker gives response to this question.

Mathieu Weill: Can I just say that I'm very proud that so many people disagree. So many importance in my role today. I won't start crying. No, I have -- I have obviously acknowledged it to the group commenting, considering that sometimes it's just my belief that absence is more powerful than presence in terms of stronger signal. But that's purely perception and the majority of the group wants to comment, no problem.

Roelof Meijer: Mathieu, from now on, we'll always be wondering if you're sending us a signal if you're not there.

Mathieu Weill: I usually am.

Roelof Meijer: Peter?

Peter Van Roste: Thank you, Roelof. The last open consultation to a large online portal that ICANN started on their five year strategic plan already dates from August, or was it July? At that time, so whatever happened with that effort, I don't know, but it's disappeared online. Center provided comments to that and since nobody responded, I doubt if anybody read them, so I would be very happy to share with the CTNSOs so that they can be recycled for this effort.

Roelof Meijer: Thank you for that generous offer, Peter. Okay. The way forward. So we -- I propose that we do comment and that what we have some input, I'm sure that in the comments that we have provided on previous strategic plans, there are ingredients that we can, like Peter said, we can reuse them. We welcome Peter's proposal and we'll see if we have some usable input from the Center Board, I think it was the Center Board and not the Center Membership.

I'm just thinking how we're going to tackle this one because I think Bart, shall we volunteer to come up with a draft based on everybody who wants to provide input in the meantime and then send it to the group?

Bart Boswinkel: I think that's the way forward. Maybe we have, say, after this meeting, we sit down or during this week and we get back to the SOP how we want to proceed. Take say with the goal to submit because we need to check the timelines, et cetera, as well. So we have a clear understanding of when and how we want to do it. So (inaudible).

Lesley Cowley: I can add to that, the comment close date is the end of January.

Roelof Meijer: Okay. Thank you, Leslie.

Bart Boswinkel: So let Roelof and I get back to the SOP with a suggested way forward say by the end of this week so we can have either a face to face and everybody can comment on the SOP by email as well.

Roelof Meijer: And since Lesley is no longer chair of the CCNSO (ph) and she's not at this ICANN meeting, she must have heaps of time to assist. Okay, I see there's a confirmation of my assumption. Okay. Thank you. Yes, Bart, we will get back to you people and with a timeline and a proposal now to do this, and probably some content as well. Thank you very much for your patience and contributions. Have a good ICANN meeting and see you at least on Tuesday.