ABU DHABI – ccNSO SOP Working Group
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GIOVANNI SEPIA: In a let's say more mature, ready to become a committee. So it should have happened sooner or later. This is the moment, apparently. But we'll discuss it later. The first part as ICANN Finance Department as some time constraints is an update by ICANN and by ICANN Finance Department on the planning process, and different timelines for comments, as well as an update on the new accountability indicators.

So I'd like to thank you all for attending the meeting, and we'll discuss about membership and attendance later on, as I said, but I'd like to immediately give the floor to Xavier for the presentation on [coming] planning process and the timeline for comment. Thank you, Xavier.

XAVIER CALVEZ: Thank you, Giovanni. Hello, everyone. Thank you again for your invitation and allowing us to come and participate to your working group. Can I have the next slide, please? Next. Thank you.

So we'll start by providing a quick overview of the timeline of the planning process which you overall know, but to remind us of the dates that we're looking at in the next few weeks and months, and notably in the context of the acceleration of the process that we are doing this year.

I wanted to also speak about a more strategic aspect of long-term financial planning which we are gearing up to work on, and that should be of interest and value to this group, particularly with the remit of your working group, and that complements well the annual planning that we've been doing for a long time, but that provides on top a long-term perspective to planning.

I wanted to also give a quick overview of the reserve fund document that is currently under public comment, so that you have visibility on that and you can ask any questions on it, and hopefully you will have also time to look at it and submit comments on it. And Susanna will provide an overview of the new accountability indicators formerly known as the dashboard that has now received a new version of the website. Next slide, please. Next.

Our planning cycle that you know leverages the strategic plan and on an annual basis provides an update to the strategic plan, and then develops an annual Operating Plan and Budget. As you know, we had started in the previous fiscal year, but this fiscal

year '18 we have developed the PTI planning process in a connected but separate process to ICANN's, and then it rolls up into ICANN's. So it follows the same cycle, but in a different timeframe, as you know. Next slide, please.

We continue to have the same structure of our planning process with the five objectives and 16 goals, supported by the operating plan composed of the 60 portfolios or so and the more than 300 projects. The number of projects of course varies year on year. Next slide, please. Thank you.

This is a bit of a busy slide, but I wanted to point out the changes in the timeframes. Not necessarily in the process, but in the timeframes, simply because you may remember that the Empowered Community powers require that after a Board decision, a period of 28 days is offered to the Empowered Community to consider activating any of the seven powers that exist for the Empowered Community. Because of that, a Board decision that is the subject of a community power, even though it may have been taken at a meeting, it becomes in effect only 28 days after the decision has been taken by the Board. We therefore need as an example to have the Board approve the Operating Plan and Budget at the minimum 28 days before the fiscal year starts so that that Operating Plan and Budget is in effect at the beginning of the fiscal year, which is what you would want all the time.

So as we have been forever I think approving at the meeting that immediately precedes the beginning of the fiscal year, so our June meeting usually happens towards the end of June, that's where we have been approving the Operating Plan and Budget. It's sometimes days or hours before the beginning of the fiscal year. And we are now advancing that Board approval by at least a month. We're planning to have the Board approval at the end of May, which is a month in advance, fitting that lag of 28 days for the Empowered Community. You could argue – and I've been making that point before – that we should anyway have the Operating Plan and Budget approved much before the beginning of the fiscal year.

So that's one change. That change of course ripples through the entire sequence of steps of the process. So we are planning to publish the annual Operating Plan and Budget draft for public comment mid-January, and finishing towards the end of March, giving about 47 days of public comment. So it advances by about a month and a half the public comment start.

We're intending that the documents are going to be the same. The annual Operating Plan and Budget, the five-year operating plan update, and there will be some changes to the content of that. We're working on providing highlights on cross-functional projects, relatively larger cross-functional projects that both

from an operational planning standpoint and from a transparency standpoint we think we want to put focus on.

So we're working on doing that now, and that will translate into the documents that you will see. Any questions on the timeframe? I know that it impacts of course how you will organize yourselves to look at the public comment, but I know that's what you're going to be doing later on during this meeting. Any questions otherwise? Okay.

BART BOSWINKEL: When is the anticipated date for closure? Because I think that's important to understand for this group.

XAVIER CALVEZ: [Joke], can I ask you to bring us the next slide, please? So the 4th of March is the answer to your question. In the middle of the schedule, you see the ICANN public comment line, 15th of January to the 4th of March is the plan.

While we're on this slide, you can notice on the second line from the top as probably many of you know that the IANA Functions and PTI Operating Plan and Budgets are currently under public comment. They've been drafted, they've been reviewed for publication by the PTI Board, and they are currently under

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public comment since October 9th. But I'm assuming you already know that.

Any further question on this topic? Thank you.

BART BOSWINKEL: I'm thinking aloud. It's very obvious that this group will look at the budget and five-year updates. Do you anticipate – because this is mid-January – to have a webinar, etc., prior or at the opening of the public comment? Because if you look at it, it's right in the middle, almost at the end of the seasonal holidays.

XAVIER CALVEZ: We do plan to have around that date of mid-January the webinars to present the budget document, presuming that everyone remains interested in having those meetings. If that's the case, if this group will be happy to have those meetings. I think other groups are also interested, it helps focusing the minds. So yes, it will be around that timeframe. We don't really have a choice. I think holidays are going to be on hold for us.

BART BOSWINKEL: And when do you think you will announce it?

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XAVIER CALVEZ: I think what we will try to do is prior to the holidays, probably around early December, try to confirm those dates. I'm not sure it's very worthwhile doing it earlier, simply because if it moves around a bit –

GIOVANNI SEPPIA: Stephen first, and then Leonid.

STEPHEN DEERHAKE: Xavier, in your previous side, it looked to me like you had two ECA comment periods. One for IANA, and I don't see that reflected on this chart that was Slide #8.

XAVIER CALVEZ: I think you're right, Stephen, and you're correct that there were two EC periods. They are indicated in blue here. It's not very visible, but at the beginning of the month of February, and finishing early March, you see about in the middle of the graph a horizontal blue box called EC period. This is the 28 days that allows the Empowered Community to consider a rejection power of the IANA Functions Operating Plan and Budget, the one that's currently under public comment.

STEPHEN DEERHAKE: Correct.

XAVIER CALVEZ:	And that's the Empowered Community consideration period. And then similar exercise, ICANN Operating Plan and Budget – which will also include the IANA functions budget in it – then will be approved presumably by the Board end of May, and then the Empowered Community –
STEPHEN DEERHAKE:	Exactly. Can you update slide eight to include the IANA stuff in there?
XAVIER CALVEZ:	We can, absolutely.
STEPHEN DEERHAKE:	I just need to know the firm dates. Thanks.
XAVIER CALVEZ:	Thank you. Jessica, can I ask you to make that note, please? Thank you.
GIOVANNI SEPPIA:	That's fine, because Leonid withdrew from asking.

XAVIER CALVEZ: Thank you. Next slide, please. Next. Thank you.

So, this is early on and there are a lot of communications that will be happening during this meeting on the topic. Notably with the Board this afternoon, so you have a little bit of a preview of what we are speaking with the Board this afternoon on, but we are trying to ensure we develop a long-term perspective to our planning activities. We have in the past, as you know, developed a five-year strategic plan. That plan kicked in in FY16 until FY20.

You also know that this strategic plan contains five objectives and 16 goals, but does not really contain a real roadmap of actions and milestones that lead to achieving objectives well defined at the end of each period and at the end of the five-year period. The current objectives and goals in the strategic plan are a little bit more aspirational than operational, and as you know, that strategic plan was never developed with defining resource requirements, nor quantifying them.

So a strategic plan that doesn't have the resource requirements is a lot of aspirations, intents, but necessarily a real plan from a planning standpoint, so that's something we want to be able to change. So we are looking at putting in place what I think a lot of you know as a fairly standard strategic plan process where we produce objectives, that we prioritize those objectives, that we quantify or define the action plans that are required to achieve

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those objectives and quantify the resources required to achieve those objectives, and ensure that these resources fit within an expected set of available resources. So simply, how much is it going to take to achieve those objectives, and do we have those funds available in our projected funding projections?

So that's what we're trying to develop. Of course, it's a fairly significant change with our current planning process. The structure is not changing fully, but defining resource requirements over five years requires work that we have not done in the past. And we know that our process of strategic planning development has taken – at least last time – about a year and a half, and a lot of time and efforts from the community, from the organization, from the Board. So in order to streamline this, we need to change the way we develop that strategic plan. What we would like to be able to put in place is a five-year rolling plan, so planning every year for the next five years.

Now, of course, you don't necessarily plan for your five in the horizon at the same level that you plan for the next year's budget, and the two are not mutually exclusive and are complementary. One aspect that we're looking at in order to simplify this process is to recognize that the budget of ICANN or its activities are not changing 100% every year. We carry out contractual compliance every year, on a daily basis. We carry out

the IANA functions on a daily basis. This doesn't change every year or every day either.

So a lot of ICANN's budget is already committed by the activities, decisions, policies or contracts that we have already engaged in the past by the decisions of the past, and that's the majority of the budget. And of course, I'm not stating anything that's different than for any other organization. It's true for everyone. At the same time, we would like to be able to ensure that on an annual basis, at the minimum, we integrate into our five-year plan forward any emerging trends that we think should impact that plan over the next five years.

And we want to be able to do that every year, because of course, trends emerge as the environment or our activities generate them. So combining the stability of the current set of activities with identifying emerging trends that should impact the activities in the near and for future is the way we would like to try to develop that five-year planning process and translate it into annual operating plans as well.

A context for this financial planning – not that it's creating the requirement for long-term planning, but the context is that our resources are stabilizing as we would have anticipated. As now about 1200 registries are ramped up into the root, our funding which is partially based on the number of registries in the root is

now stabilizing this year and going forward. So it creates not only useful, but now a necessary approach of prioritizing. I do expect that our needs will exceed our resources, and therefore we will need to make choices like every organization does.

What we need to develop, of course, is the approach to be able to ensure at all times the engagement of the community in that planning process, from a strategic plan development process, on an annual basis, and developing the processes and knowledge to be able to plan on a long-term basis.

I'll stop here to see if there are any questions, comments or thoughts.

GIOVANNI SEPPIA: Any question? No? Can I ask you, Xavier, how much the entire organization is already prepared to provide you with input to structure the next strategic plan?

XAVIER CALVEZ: Internally you mean?

GIOVANNI SEPPIA: Yes, internally. Because I remember last time, there was a lot of, let's say, work to make all the department working together and providing you with the right input at the right time. So I

remember three years ago all the work also in terms of setting the objectives, and one of the big remarks of this working group was that there were some objectives that were overlapping each other, and there were duplicates.

XAVIER CALVEZ: We are more ready than when we started last time, because we now have the experience of that, and of living and managing on an ongoing basis those 16 objectives, 60 portfolios and so on. So the experience is there. Now, we believe – and Susanna and others have worked with us to develop – to try to simplify the process, simplify the structure, trim it down so that it's easier to manage while nonetheless actually helping to identify more significant or cross-functional projects that impact across the organization, and of course across the community, in a fashion that then would help us plan better for those and have a more efficient planning process.

We also need to do that so that altogether, we can do the same thing. We cannot have the same amount of annual planning activities as we have today and then add on top a five-year strategic planning process that we would do every year. So we need to as is. So we need to simplify and integrate those processes, so it will require change within the organization and altogether as well. For the Board, it will be a change. For the

community who participates – you guys particularly – in this process, it will be a change as well, but a change for the better. We need to do it. And honestly, it's not even because our resources are stabilizing. We should do it anyway. This long-term planning is a best practice.

WAFA DAHMANI: Just a little question.

GIOVANNI SEPPIA: Wafa.

WAFA DAHMANI: Yes. Hi, Xavier. I just saw limited resources ICANN's funding stabilizing. What about expenses? And are expenses becoming higher? And where exactly? In staff, or in the meetings, or in funding the communities? We didn't speak about the auctions, how the money of the auction proceeds will be used.

XAVIER CALVEZ: What we're speaking here is of the ICANN operation planning, what I would call the ongoing activities of ICANN. We have not yet – because we're ahead of that process – developed the projections for expenses. What I can tell you is that the

projection for expenses are not going to exceed the projection for funding. And that's what we need to work on.

You mentioned the auction proceeds. The auction proceeds for us are a completely separate topic. We don't count on those resources. It was completely unpredictable to us what the funds generated by potential auctions would be. We don't integrate them into our activities, we don't count on those funds, and we don't use those funds. They're completely segregated, untouched, and they will not be from an ICANN operations standpoint.

There is an ongoing process – as you probably know – to develop the structure as per which those funds will be used and disbursed. There's a CCWG working on the process. Those funds are sitting there, waiting for the outcome of this exercise and the Board approval for then implementation of whatever will be recommended, and therefore from that point on, disbursements. But I think we are a few months – I don't want to say a few years – from that. These funds will be sitting there until that point.

So they've always been segregated and will remain so. It's also the same thing for the New gTLD Program application fees that are unspent, and that we are holding to continue to pay for the

remaining expenses of the program that are going on. Thank you.

GIOVANNI SEPPIA: Xavier, can I also ask you about if you have any idea about the timing for the next round of the strategy plan?

XAVIER CALVEZ: What we would like to do is over the next two weeks – basically by the end of the year – develop a proposal of process – by the end of this calendar year, sorry, a proposal of process to the Board and then circulated with the community for input, because we really need to start. As of January, we will be a year and a half before the end of FY18. The simple approach is we need to have the next five-year strategic plan ready by the end of FY19, because during FY20, we will plan for FY21. FY21 is the first year of the next five-year plan, so we need to have that five-year plan in our hands to start planning for the first year of it, because the strategic plan tells us this is what we should be doing, and that's what we then use to plan for that first year. So we need to have it done by the end of FY19 so that we use it during FY20 to plan for FY21. That's the process.

So early January – and I know it's going to comingle with a lot of different things – we need to be able to offer a timeframe, mode

of engagement between organization, committee and Board. If there are no more – oh, Barrack.

BARRACK OTIENO: Thank you, Xavier. I'm just thinking – let me make it aloud – as we do the planning, I know the planning process is more granular, but because we have the public comment, can we have it such that each SO or AC knows its budget, knows what it has spent in its budget? And when it comes to the planning process, we are able to create a framework where we can get information from them regarding whether they are happy with the budget as it is, if it is sufficient, or what more could be required, and their input towards getting the same. Because I know the ICANN Organization, yes, commit some resources to each SO and AC, but at the same time there's also a lot of voluntary contribution that is not quantified. And my challenge is something at the region, we don't know how much budget, say, the region has been allocated. So sometimes, you place unnecessary demands to the regional office, yet maybe the budget is not commeasured to what you require, and sometimes even when we want to work closely with the region, we also need to know how much the region has so that we can be able to look for resources from other areas.

So I think in the planning process, we need to make this clear enough so that the community can know where to plug in the deficit, or can also be a [lot] so that the community doesn't make unnecessary demands on the organization once the budget is known. I think there is a gap in that process of consultation. Thank you.

XAVIER CALVEZ: Thank you, Barrack. You are right that we do not have in the current planning document a view of the budget by the dedicated resources by SOs and ACs, nor by specific regions. We have them as per the breakdown of the 16 goals and then the portfolios of activities. This is not a new topic. We will need to integrate a process in the future to be able to try to do that a bit better. Today, when you look at the portfolios as well as the projects, you have a certain amount of breakdown of activities by region, notably in the engagement area which is probably the one that participates specifically to supporting the activities that you were talking about.

So I think this is also an enhancement that we will need to consider in the future plan. It's been a challenge, and Giovanni was pointing to it earlier that when we implemented the structure and monitoring of our activities as per the five objectives, 16 goals and portfolios and so on, to organize

everything we do in the dimension, which was chosen as the most transparent way to demonstrate how the resources of ICANN are used to achieve these strategic objectives and the mission of the organization.

Creating the dimension then of SO and AC, and then by region, is then adding to the complexity of the structure and the monitoring. So this is why we had not done it at the time, because we had already stepped up a lot in the change in structure and in the granularity. But having said that, we have a number of teams who are looking at engagement notably by region, and you know Pierre and all the guys who because of that need of engagement on the ground are looking at the regional aspect, and they have visibility on that budget because they are the ones building that budget of activities and expenses for the region.

So I would suggest that in the meantime, you engage further with those guys by region, because they will have visibility of the resources dedicated by region, or of resources that may not be managed within the region but that contribute to supporting the region.

Let me take an example: our OCTO team, the Office of the CTO, they have a security team in there that provides security trainings across the world. You probably know Dave Piscitello

and John Crain and so on. They will go region to region, coordinate with Pierre, with Baher and so on to be able to provide and support activities in the region. But your GSE, the Global Stakeholder Engagement VPs by region are the people who then can help you understand the activities planned, both from a planning standpoint as well as from an implementation standpoint. Thank you.

GIOVANNI SEPPIA: Okay. As we also have some time constraints, if you can, please move forward with the presentation. Thank you.

XAVIER CALVEZ: Thank you. Next, please. Next slide. I just wanted to give you visibility on this public comment that is ongoing.

Our reserve fund, the point is that the Board has concluded at least a first step of a working group that was aiming at reassessing the rationale for the reserve fund and reassessing what the target level should be. So there is a document under public comment right now that was issued on the 12th of October, and until the end of November, that discusses the rationale for the reserve fund: why do we need one, and at the same time how big should it be?

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Currently, it is 12 months of operating expenses, and that's been the case since 2008 when it was created. But what should it be? Should it be smaller? Should it remain that, or should it be bigger? Knowing that currently it is at about 45% of its target, so if we say it should be 12 months of operating expenses, it would represent approximately $142 million, and currently it's at $61 million.

So the next step after this public comment process will be to understand whether the proposed approach in this document – which is to stay at 12 months of operating expenses – is the consensus of the community, and then determine once we have confirmed the target level, then what do we do to replenish to that amount of it remains 12 months? Replenishing from $60 million to $140 million is $80 million. This is not a small step.

As an information, it's indicated in the paper, the Board has approved the allocation of $5 million to the reserve fund coming from the cumulative excesses of the past two fiscal years. So it's a small step forward, but it's not bridging the gap entirely, of course. So that will be the next stage after this public comment process. Any questions or comments? Otherwise, I'm done. Yes.

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UNIDENTIFIED MALE: Did you look into having two different timelines, one for ICANN and one for IANA? I think 12 months for IANA is probably right. For ICANN, it would be short.

XAVIER CALVEZ: We have not tried to define a different reserve fund for both ICANN and IANA. It's been discussed a little bit during the transition whether under the structure of PTI, a separate and dedicated reserve fund should be created. There was – at least at the time – no specific desire to do so. Part of the challenge was that creating a reserve fund for PTI would actually limit that reserve fund to the amount that we put in there, as opposed to allowing PTI to leverage the entire reserve fund of ICANN, its parent, which is bigger than what it would be if you look at just 12 months of operating expenses for PTI.

So now, this could be a current and future mechanism. It doesn't mean that you cannot change it in the future. I guess it depends a little bit also of what we do with the ICANN one. But no, currently the paper is not suggesting that. I think it's a very reasonable idea and comment to submit, by the way, for anyone who would be interested. I will pass it on to Susanna for the next topic, and I will have to leave you. Thank you for your time.

GIOVANNI SEPPIA: Thanks a lot, Xavier. Thanks so much. We'll stay in touch.

SUSANNA BENNETT: Thank you, everyone. Allow me the time to share with you the new accountability indicators. Many of you probably know that we started the KPI dashboard probably over two years ago with the intention to use it as a reporting mechanism of how the organization is achieving on the path of the strategic plan. Since then, we have been working with various teams internally to improve the information shown on the dashboard and also working with the Information Technology, IT Team to improve the display of the information. And very pleased that the IT Team moved forward giving us a very good tour. Instead of showing flat images, now we're able to display the information with much more in-depth drilldowns to about three layers, and interactive as well.

So we presented the new version – we call it the beta version – to Göran several months ago, and of course, to him, he just came onboard, and it was a new approach to him. He asked us, "What is the intention of this? What is this for?" So we explained to him that to report to the community how we're progressing, and he says, "For what purpose?" He said we should think about how to connect the KPI dashboard to the purpose which [is how to] serve.

So the team went back and brainstormed, and we though the best focus of this is really for us to show that we are accountable, how accountable we are to the community on our strategic plan progress, and also be transparent as much as we can through this information to the community. So we proposed to change the name from KPI dashboard which several people had mentioned to us that that's very perhaps U.S.-centric, and also not as much related to a not-for-profit organization like ICANN, it's more technology or for-profit company focused type of name.

So we proposed – the team really came together and said, "Why don't we use – focusing on what this is for, so it's really focusing on accountability and being transparent." So we changed it to Accountability Indicators, and along with the technology advancement that we presented to the organization, the new version, what we call the transformed version of Accountability Indicators.

So we launched this to the whole community in August, and it's displayed on ICANN.org. This is one of the pages, and it spells out the purpose of this is really to demonstrate to the community how we're progressing on the strategic plan. May I have the next slide?

Thank you. So you can see that it's organized by the five objectives, same as the strategic plan. And within each, as you click on each of these [object five] boxes, it gets into each of the goals of the objective. But let's first go to the video that's in the first box on the top. Yes, would you please go to the link? And that would lead us to a video to show you the new progress, how this is displayed.

UNIDENTIFIED FEMALE: Are you interested in learning how the ICANN organization is meeting its goals? We've created an easy-to-use accountability indicators platform to help keep you informed of our progress. Let's see how it works.

Browse this menu to find the topic you're interested in. Let's say it's financial operations. Here, you'll find a lot of information. For example, let's take a look at the operating expenses overview chart. Here, you can even drill down on expense category like travel and meetings to focus on just those costs. Or maybe you're interested in learning how many people participate in the fellowship and NextGen programs. Click on the legend here to see data by region.

We'd love to hear your comments and suggestions about this new platform. We'll be making continuous improvements based

on your feedback. Visit www.icann.org/accountability-indicators to begin exploring.

SUSANNA BENNETT: Thank you. Definitely feedback from all of you, very important. So far, we received quite a bit of feedback, and we have started our planning for version 1 which includes, for example, increased in the language capability. We'll look at how to translate these charts into the six UN languages, and also continue improvement of various goals, the charts in the goals sessions to leverage this technology capability, and several other things we're planning to continue to improve to better show how we progress. And as we go forward on the new five-year strategic plan planning, we also will have to align this Accountability Indicator progression to the new plan. With that, I'm open for questions, please.

GIOVANNI SEPPIA: Thanks a lot, Susanna. If we see these and we think about what was the let's say KPI indicators landscape of ICANN five years ago, I think we should compliment you, your team and ICANN for having achieved this objective of providing the community with these kind of indicators, this kind of platform to check the progress against the various action and objectives. So a lot of compliments from this working group that it highlighted the

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need to have proper accountability indicators or KPIs for ICANN since many years. Thanks again.

SUSANNA BENNETT: Thank you, Giovanni, very much. Thanks, everyone, and please continue to provide feedback. That means a lot to us for continued improvement. Thank you.

GIOVANNI SEPPIA: Any question to Susanna? If not, thank you again, and we'll stay in touch. Thank you.

SUSANNA BENNETT: Take care. Bye.

GIOVANNI SEPPIA: So now, we move to one of the core parts of this meeting, which is the discussion about the ccNSO SOP charter. As we are, let's say, becoming adult and we were recommended to move from the working group status to a committee status which is a more permanent status considering that this working group has been in place since several years, a decade –

UNIDENTIFIED FEMALE: [inaudible]

GIOVANNI SEPPIA: A decade, yes. So this is the charter version #7 which [as] circulated and which takes into account the latest input and refinements by some of you. The charter describes the objective of the committee, so as you can read, it is no longer called working group but is named committee, and this charter is expected to be discussed and eventually approved at the ccNSO Council meeting at this ICANN60.

I believe there was quite a lot of agreement on the different sections of the charter. There were some small refinements as when it comes to the appointment of the committee members, and there were some, let's say, clear sentences that were made clear in the text as they were not so clear at first reading. And I believe that, again, from what I perceived in the e-mail exchange, there is a consensus for this charter, so we are expected today to have a final discussion and eventually approve it to move it on to the ccNSO Council for the final approval.

Bart has been the sort of creator of the draft charter and helped this working group a lot in the past years, and he was also again the hand and brain behind the transition from the working group to a committee, so I'd like to thank Bart. Thank you so much for all the work you have done. I don't know, Bart, if you

would like to say something about the membership part, which was the most discussed part online, the e-mail exchanges.

BART BOSWINKEL: [inaudible]

GIOVANNI SEPPIA: No. Okay.

BART BOSWINKEL: May I make another comment?

GIOVANNI SEPPIA: Please, yes.

BART BOSWINKEL: What is probably very important – and I think that some of what you may not think about, but say with Stephen in the room wearing two hats – or three hats, effectively – is the role of the SOP with respect to the rejection action is probably – rejection action procedure is very critical. It's just one sentence, and it is linked to, for example, the planning. If the SOP does not submit any comments during the public comments, then there is no role for the SOP to start a rejection action on the IANA budgets, and more importantly on the ICANN budget and strategic planning.

To make sure the SOP is able to do this, there is an explicit sentence in this charter that the SOP is mandated to submit a rejection action petition to the Council. In the guideline that the GRC, the Guideline Review Committee is working on, there is not an explicit reference to this, but it is considered that groups like the SOP or working groups may submit a rejection action petition.

What is critical if you look at annex D of the Bylaws is especially in the area of the strategic planning and the budget, you need to have submitted a public comment, whether it's a draft or not doesn't matter, during the public comment period in order to be able to submit a rejection action petition.

So that's probably the most important aspect of changing this charter and what is happening to live up to the ICANN 3.0. So that's the only thing I wanted to stress.

GIOVANNI SEPPIA: Thank you, Bart. So there is an endorsement that the work of this committee is becoming, let's say, more linked to the new ICANN processes. And I don't know if Stephen would like to say something to complement what Bart just said.

STEPHEN DEERHAKE: Bart summed it up nicely. Yes, this committee – if any community member or this committee wishes to do a rejection action petition, say, on the ICANN budget, they do have to comment. And I need to make this clear to the community in my presentation to them as well, that in the absence of a public comment that parallels the rejection action petition originating out of this group or out of a community member, it cannot be accepted by the ECA. And I now have my Empowered Community Administration hat on.

As Bart pointed out, annex D has specific requirements that must be met for a rejection action petition from an SO/AC to be accepted by the ECA, so I would encourage this group to pay some attention to what those requirements are. As the rejection action guideline gets formalized by the Guidelines Review Committee, there will be an annex in that guideline that basically will be a checklist so that as an aid to this group and other community members who are interested in filing a rejection action petition because they see something in the budget they don't like, it will hopefully give them some guidance as to how they need to structure the rejection action petition so it will be accepted by the ECA, and also how to structure their public comment which is the backstop against which the rejection petition relies. Thanks.

GIOVANNI SEPPIA: Thanks a lot, Stephen. Any comment, input on the latest version of the committee charter? Nobody? Okay, so can I ask for – yes, sorry, Barrack.

BARRACK OTIENO: Thank you, Giovanni. Something that was not clear to me, I think a comment on when we are handling the transition, they need to retain memory in the committee so that – because you're raising very important issues on the rejection action, but during the transition, we can have a team that probably does not pay attention to some of the issues we are raising. I think we are fortunate that Stephen maybe has followed closely the process, and so we are less likely to make a mistake. But in the event that we have two generations of the committee coming down, and then you find mistakes because the knowledge was not transferred down. So if we can find a way of putting that in our structure so that there's always memory that is carried down as we change the committee.

BART BOSWINKEL: Do you refer specifically to, for example, the role of the SOP committee in future around the rejection action?

BARRACK OTIENO:	I would say yes, but more importantly, I'm thinking in lines of the recent scenario we had in the Council where the NomCom did not pay attention to –
BART BOSWINKEL:	Yes, but that's nothing to do with the SOP Standing Committee.
BARRACK OTIENO:	Yes, I'm just thinking in terms of how do we retain the memory? Because we are dealing with operations and budgets, and sometimes we'll have to change the membership in the committee.
BART BOSWINKEL:	Yes.
BARRACK OTIENO:	What if a team comes in that doesn't have an organizational history?
BART BOSWINKEL:	Okay. So with respect, say, first of all you've got all the documents, but that's not a fair answer. Secondly, I think if you look, the terms – say we start a fresh – that's the suggestion – with the terms right now, and they are staggered. So at least you

will have people who will stay on for one or three years from now on. Moving forward, this is always a risk of term limits, I would say. And it's probably – and this is again an unfair answer, but in a way, you get what you deserve. If everybody would leave, and without taking this into account when they would stop serving on the SOP Committee, then you have a more fundamental problem than just the historical knowledge, because I think ultimately, you cannot avoid this through a charter. It's more in the ethical code of the members, it's more in how you see your role as an individual in this working group. In my view, you cannot stop it through the charter.

GIOVANNI SEPPIA: That's a good point by Wafa, that this charter is not the Rosetta Stone, so this is something that is a living document that can be further amended in the years, and there is indeed in the charter itself a plan to regularly review the charter. Andreas.

ANDREAS MUSIELAK: Andreas from DENIC for the record. I stressed the point two weeks ago in my e-mail, because I think the Chair of the SOP is of importance. And I don't know if the duration of the membership also applies for the Chair. And if so, I think we need to make sure that the Chair is always available, because he has to facilitate or initiate other points which are very relevant for the charter. So I

don't know, I think it's not reflected here in the charter from my point of view.

GIOVANNI SEPPIA: I think that from my perspective, the membership part of the charter – which includes the term of the Chair – at least to me is clear in the sense that it addresses both the need of ensuring a continuity and the availability of the Chair, and also it addresses the fact that there should be a rotation in the interest of the committee to have, let's say, fresh blood and ensuring fresh opinion, new opinions in the ultimate interest of ICANN and the PTI, IANA processes. This is my perception of having read and worked on this charter version. Again, I'm not saying this is the perfect document, as the previous versions were not. I think it's a good progress, and it has taken into account all the different needs for the committee to structure its work and to ensure continuity of the membership and also a certain level of reliability for the organizations and the constituencies that are counting on this committee. So this is my view of the charter. I don't know if Bart, you'd like to say something about the Chairman mandate.

ANDREAS MUSIELAK: [inaudible]

GIOVANNI SEPPIA: Sure.

ANDREAS MUSIELAK: One more suggestion. The point here is we should never be without a Chair. So probably until we have a Chair, the current Chair needs to follow up and facilitate. We should probably add one more sentence, or I probably missed that point.

BART BOSWINKEL: It's effectively, say, you will never be without a Chair because you nominate one yourself. So if Giovanni would step down as of this meeting, the first thing you would do is nominate a new Chair. And it's at the nomination of the Chair that the Council appoints one, and not the other way around. So you don't have to wait for a Council meeting. Directly, you will nominate a Chair and that will go to the Council meeting. And my experience with Council is – and there are councilors in the room – they will probably take on your recommendation and take an e-mail decision quite rapidly.

GIOVANNI SEPPIA: [inaudible]

BART BOSWINKEL: And just to be clear, that has been the experience to date. Rudolph was replaced by Giovanni at the nomination by this group, and then, say, the Council appointed Giovanni as Chair. And it's almost standard practice right now with all the ccNSO Working Group.

GIOVANNI SEPPIA: Okay. Any other point for discussion? If not, I have to ask you to raise your hand, those who approve the charter. You can raise both. I'm kidding. Okay. I believe that the charter is – yes, [Joke]. Do we have a remote comment? Yes.

[JOKE BRAEKEN]: Phillip has raised your hand, but Phillip, if you could please type your question in the chat, I will read it out for you. Thank you. Phillip agrees with the charter.

GIOVANNI SEPPIA: Thank you. So it's unanimously approved, so we are entering the adult phase of the life of the SOP. Thanks, everybody. Thanks for a contribution to make this happen.

We have some housekeeping to follow up regarding the membership. This has been quite a – let's say long-standing point for the agenda. We have quite a vast membership of the

working group, and we hope we will have the same level of extended membership for the committee.

The first point in the agenda is to make sure that those who are members do regularly participate [passively], proactively to the work and life of the committee. So in the charter, there is a provision that says that there will be discussion about the membership and there will be also decision. The first decision is, if I'm not mistaken, ICANN63. Yes, the members of the committee will determine whose term ends at ICANN63 and whose at ICANN66.

But the key point is really to make sure that those of you who are wishing to continue the membership, they're really able to practically participate, especially now that we are expected to provide more comments that we are entering the next ICANN fiscal year, the next ICANN strategy plan process, the IANA PTI budget. So there is quite a lot of work for this committee, so it's really an invitation to all of you to continue to be a proactive member, but those of you who cannot do that, I don't think there is any shame to say, "I prefer to step down because I cannot commit to work as much has needed in this working group."

So we have the membership is published on the current ccNSO SOP Working Group webpage under ccNSO.icann.org. I'll send

an e-mail out inviting the members to confirm the membership, and we'll set – I would suggest – deadline to confirm the membership. Is that okay, Bart?

BART BOSWINKEL: Yes, and then we can go to Council. And if you send out, please indicate which term as well if you want to go for ICANN63. And it has nothing to do with ending at that meeting. You always could, but it's more to start the staggering of membership.

GIOVANNI SEPPIA: Is that okay with the committee, as we are now a committee?

UNIDENTIFIED FEMALE: [Yes.]

GIOVANNI SEPPIA: Okay, so I will make sure [to pencil in] my agenda that in the next days, I'll send out this e-mail to all the membership. And in terms of liaisons, there is also a provision for appointing – yes.

BART BOSWINKEL: Just one question. Say, assume that one or two members will step down – and I know the membership list needs to be cleaned up because there are still members listed, for example Matthieu

is still listed on the ccNSO website. He's no longer a member, that's very obvious. Do you want to send out a call for volunteers again under the same – say with the same conditions, commit to time, etc.?

GIOVANNI SEPPIA: I would just first send out for the membership to be confirmed, and then subsequently, we check how many respond to this e-mail, and then we may send out a call for volunteers like we did. Is that okay? Okay, thank you.

And then I will just say that I will start also invite Supporting Organizations and other constituencies or Advisory Committees to appoint liaisons to this committee if they are interested, and there is also for this specific provision in the charter, it's article four of the charter about this process for the Chair of this committee to invite liaisons from the advisory committee and the other constituencies. Yes, Bart.

BART BOSWINKEL: May I add to this? One of the reasons why this is suggested is, for example, the GNSO and GNSO Council is starting to create a similar kind of group as this one. And again, within the view and in light of the potential of rejection action petition, liaisons with

other groups is critical when there is a need for support of rejection action petitions and to understand what's going on.

GIOVANNI SEPPIA: Thank you, Bart. Good point. So that's also on my to-do list, and going back to our to-do list, it's about the comments, the various comment periods. Xavier mentioned that there are currently two public comment periods open. The first one about PTI, which ends on the 26th of November, and the second one about the reserve fund which ends on the 30th of November, and we'll soon have, as Xavier mentioned in his presentation, the public comment period on the next fiscal year. That is going to finish to end on the 4th of March. So it opens mid-January, it ends the 4th of March.

So we have two public comment periods that are open, and I would like to check the interest of this committee to participate and also to plan our work for the currently open public comment periods.

Any volunteer to speak up? Don't be shy. You've never been so shy as today. Nothing? So the Chair, it's written in a little appendix of the charter, will pick up no discussion, the volunteers for producing the comment. I'm kidding.

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No, shall I send out an e-mail to structure the work to produce this committee comment? Bart, please.

BART BOSWINKEL: Maybe it's more – take into account that the PTI IANA budget will roll up in the ICANN budget itself. Last year, you refrained from it, and it's close – yes, the closing date is very near. So to put in effort, [it's] probably starting with a new structure and as of the ICANN budget itself is probably the wisest thing to do. But that would be my advice to you.

GIOVANNI SEPPIA: Okay. Yes, Roelof.

ROELOF MEIJER: Jennifer, maybe I missed it, but is the SOP [inaudible] also going to comment on Item #4 on your list? The reserve fund? Because if the proposal or the outcome of the Board working group that looked at this will be accepted, I think it's going to have significant impact on the financials of ICANN, because they will have to more than double the reserve fund. And what I found kind of – I don't know if everybody has gone through their work. It looks quite solid work.

There's a table where they kind of calculate how much all kinds of different bad things happening would cost, there's a kind of accumulation of those really bad things happening in one year, and that's how they calculate the cost. They also kind of benchmark with a few of our colleagues. I saw that they benchmarked with CIRA and Nominet. Both are at one, and I think CIRA is even at two years they didn't benchmark with us. We are at less than a year.

So I don't know if they did that on purpose or if that was an omission, but I think it's worth for us to look at this, because it's about a lot of money, and it will have impact on the financials of ICANN, depending on how quickly they want to get up to at least 12 months. If they want to do it in a few years, they will have to increase prices and [work on] that kind of stuff.

GIOVANNI SEPPIA: Good point, Roelof. I agree with Roelof that personally – and taking into account also Bart's observation, but I think would be a nice move to comment on indeed the reserve fund, or at least – comment could be also saying that this committee compliments the work and supportive of the planning for the reserve fund. Shouldn't be always saying no, sort of remarking what has been done.

BART BOSWINKEL: May I suggest that you as Chair send out a separate e-mail asking who are interested? So just a small group of the SOP, say three or four people who prepare a draft statement for it. And it could be along your lines, and then circulated in order to submit it. But seek some volunteers, maybe even during this meeting to go over the planning, and then try to come up with a short statement or even more in-depth comment so you will be able to submit in time for [inaudible]

UNIDENTIFIED MALE: And it would really help if we can get some volunteers who were actually involved in this kind of discussion in their own organization, if we have any. I'm sure we have, so people who know the rationale behind the reserve fund of their own organization.

BART BOSWINKEL: [inaudible]

GIOVANNI SEPPIA: Okay, so we have Roelof, we have Andreas, we have Debbie. I can do it, and Wafa. More? Irina, so six. That's it. Done deal. Thank you so much. I'll confirm by e-mail that those people volunteer spontaneously and generously to this –

BART BOSWINKEL: I'll try to arrange a room by the end of this week.

GIOVANNI SEPPIA: That's great. Thank you so much.

Okay. So thanks again. I don't think we have any other point for today's meeting. If I finish by five minutes earlier, it's going to be incredible, going to be in the records, an Italian finishing five minutes earlier. But is there Any Other Business you'd like to bring up, discuss? Bart.

BART BOSWINKEL: Going back to the timing – and this is just again housekeeping – of the ICANN budget, early January, would it be worthwhile to organize a call of this group sometime early January?

GIOVANNI SEPPIA: Yes, I think we have done it. I think it was a good way to start the process. So I believe we may have a call after. I understood that Xavier would like to – they're planning to set some webinars about the next planning period, so as soon as that takes place, I believe that subsequently we can indeed organize a call and plan the process.

BART BOSWINKEL: Then we know what to do so we have it on our to-do list. That's why I ask.

GIOVANNI SEPPIA: Perfect. Okay, Any Other Business anybody? Okay, wow, it's really finishing earlier, first time. Thank you so much. Thank you, everybody, and thanks to [Joke] and Bart for the support, and also to Kim and the rest of the ccNSO Secretariat. And thanks also to the technical staff in the room. Thank you.

[END OF TRANSCRIPTION]