

**Transcription ICANN Los Angeles
Discussion with CEO
Sunday 12 October 2014**

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Man: GNSO working session on Sunday, October 12, 2014. This is the discussion with the CEO, Fadi Chehadé from 10:30 to 11:15 in the Constellation Room.

((Crosstalk))

Jonathan Robinson: All right if I could call the room to order please, if you could take your seats, continue conversations outside please, and we'll get on with our next session.

Shh, can we call the meeting to order please? Thank you. Thanks very much. So we now move on to the next session this morning. As I said a moment ago we've been through an update and discussion with the Global Domains Division, discussion with Theresa Swinehart and various areas of activity in the Strategic Initiatives Department and now it's an opportunity to welcome Fadi Chehadé to join us. And talk through some of the points that were raised yesterday.

It's always a pleasure to have you here, Fadi, so thank you very much for coming and joining us. We've got a relatively full house especially for a Sunday morning.

So I wonder how we should take this. I mean, we've given you a series of topics, they're kind of talking points really that came up yesterday, various concerns, thoughts, issues. Would you be willing to just walk through those, Fadi? And I don't know if there's any other remarks you'd like to make ahead of that. But perhaps if you're so willing that would be a way to do it.

Fadi Chehadé: Okay. Good morning to all of you to my hometown. It's good to be home. It's my first ICANN meeting where I get to go sleep in my bed. And it feels very good really, it's very special.

It's not always cloudy in LA, in case you think that's the case. But because we have an unusually warm season and the ocean is very cold in California despite the movies you see, it's very hard to swim in LA, very cold. So we have these mornings that are very cloudy. But it'll get sunny later so don't despair. The California sun will come out.

I'm delighted to be with you. I will just share with you a couple of sincere comments on how I feel. Frankly, I was telling some folks earlier, this is the best I've felt at ICANN since I started personally. I feel finally that I'm coming to a point where I'm understanding better how to serve the community. So I feel very, very good about this meeting. I'm very confident that we will have a good meeting and that you will find us to be more attuned to all the things we need to do together.

It is also clearly a time when we're celebrating our maturity as an organization. This is the very first time the Secretary of the United States Commerce Department will be at an ICANN meeting in the history of ICANN. She will be opening the meeting on Monday morning.

And I think that's a good thing because (Penny) is coming to basically tell the world that the US government is confident that ICANN is ready to move forward and that's a good message coming from her to all of us and to the world from the podium of our opening tomorrow.

Now of course we thank (Penny) for saying that. Now we need to all be together in that journey kind of a post- the US transition mode. And you know that there's a lot that we still need to do. ICANN still has a ways to go to achieve operational excellence, to achieve full maturity and accountability. But so long as we're together and we're committed to do that we'll get there.

Now on the together part, this is my second comment and only other one then I'll dig right into your questions. I must tell you that we had a boiling point on the together part in Istanbul. I think it became very clear to me that I had miscalculated how far I got ahead of the community.

And many of you had made that clear to me but the boiling point happened in Istanbul. Some of you were there with me. And it became very clear that if the distance between what we're trying to achieve at a staff level and the community gets - first of all there should be no distance. But if the distance is wide it's a problem. And it's a serious problem of positioning of our role versus the role of the stakeholders.

So I want to thank those of you who have contributed to alerting me to that. We stepped back. We stood down. We understood where the community should lead and where we should support. And I think the result is in the actions we're taking, not just the words we're saying.

So as you saw we accepted the request for additional time for the community to give us feedback. We heard the feedback. We responded with a new process for the accountability that maps to what the community is more comfortable with and that's how it should be.

So for me personally as the President of ICANN, this was a lesson learned and a lesson that I won't forget as we move forward. It, you know, it does mean we stop doing anything; of course we have to keep working. But the principle must be, and will be, from my personal perspective that, you know, frankly it doesn't matter how much we get done, what really matters is how much the community is in every action we take.

And you have my commitment to that and I wanted to convey to you this personally this morning that I'm very committed to that. And hopefully we won't get to that boiling point we got to due to this distance that grew between us. So moving forward calmly and confidently together is what we need to do now in the months and years ahead I hope as we build this.

Now you have some very specific questions that you sent so let me read them. I presume everyone saw these questions or...

Jonathan Robinson: Well Fadi, let me help you a little there. So the way in which we did this was we had a discussion session and a number of sort of issues and questions were being thrown out and you've got them as a summary there. We can put them up on the slide if helpful.

But in the end they sort of boil down to three different areas which are loosely categorized around concerns in and around how the extent to focus on the operational excellence component, a couple that I sort of put as business management issues to try and categorize them and then finally - and this was quite an important area - this whole - an update on the global stakeholder initiatives and how those work.

So I think to my mind they're sort of discussion points that you might want to make remarks on the various of them and then it may prompt follow up or additional questions. Thanks.

Fadi Chehadé: Okay. I'm - your first set of questions is all centering around our focus, our prioritization of operational excellence; how we operate ICANN. Needless to say I'm the first CEO of ICANN that actually works at the main office of ICANN. My predecessors did not work in the Los Angeles office of ICANN. So I'm the first one close to my team, close to my day to day operations.

It is true that in the last 12 months specifically, since the Montevideo statement, I have dedicated a chunk of my time to the issues related to global Internet governance. It is equally true that in June of this year the Board specifically asked me to scale back my involvement in these activities and to start transitioning a lot of that to other fora. And I'm in the process of doing this.

My commitment to the Board is that by late this year, early next year much of the global Internet governance issues from - that we have taken some leadership on in the last 12 months will be transitioned elsewhere so that I can dedicate more of my time, as I should, to ICANN's operational excellence.

I think at this point I am back into much more of an 80/20, as it should be. So whilst it is very easy to move into external activities I'm now back into an 80% focus on internal operational issues and 20% external. And it frankly feels very good because this is where my background is and my strength is. I'm not - I'm neither a diplomat or a politician. By background I've run companies; I've run large and small companies so I'm much more comfortable in this role and I'm happy to be back in it.

In terms of the state of our affairs in operational excellence, I think given the growth we've experienced in the G program, we have done well but we still have, in my opinion, we still have a distance to go; we're not quite there.

I'll give you an example. Any organization our size should have a pretty clear set of key performance indicators that are tracked and managed. We didn't.

So we kind of reacted to whatever was needed at the time. So now with the new strategy that you all helped us build, which the Board will sign and approve at the public session on Thursday, we have also built behind it a full five-year operating plan which has never been done at ICANN.

That five-year operating plan will be published for all of you to help me, you know, I need your comments and input on it. I think we will publish it immediately after the LA meeting. We didn't want to publish something for comment when we arrived here so we will publish it immediately after.

That five-year plan for the first time lists, for each of the 16 goals of ICANN, the portfolios of work, the risks around each of these portfolios, the dependencies. It shows for the first time a phasing of these portfolios which means what are we going to get done in this goal next year, the year after, the year after so for the next five years we have a kind of a view of key milestones.

We have put, for the first time, a financial plan so we will show you our view of forecasts, of revenues, of costs over the next five years. We also introduced for the first time a planning calendar. And we introduced, in the five-year operating plan, we'll introduce key performance indicators for each of the 16 goals. This has never been done before. So this will all be published in a week.

And I encourage you all - I don't encourage you, I beg you all, to give me input because this is your plan; this is the five-year operating plan of our community we are suggesting to you so you can give us feedback on it.

Now once that is done and we get your feedback and the Board approves it we will start year after year then building the one year operating plan budget based on that. So now we have an actual anchor or at least framework that we all agree on and we build the yearly plans around.

Now all the KPIs at the goal level and later at the portfolio level will be put into dashboards. So I can start frankly managing the operations of ICANN according to clear dashboards with clear performance indicators that will be transparent and public. All of you will see them.

And I want to make sure these are the KPIs you want me to manage so please look at these things and give me input and insight because I'm instilling the fault business intelligence system and discipline within ICANN so we can report on these KPIs publicly to you and measure our performance based on what the community needs.

So I think I touched enough on - and happy to take questions on operational excellence. I think the next area you asked me about is generally bucketed under business management. For example there is concern over the 2016 budget assumptions on revenue. I agree with you. So I look - if you remember the first run of the 2016 budget had very high revenues.

And we were - we put it out to the Board and then frankly we get further analysis and we said it's very high. And some of you came to me privately and said, we think of these assumptions are wrong. So we revised all be assumptions; we've brought down the revenue line to 104 and from 114 to 104.

And then I proceeded to cut \$10 million out of the budget to match that. This is not easy. So for example we froze employment through the end of this year. We did a bunch of things to scale down expenses to match the revenue reduction.

I also have now put a contingency plan, if I start getting signals that even though 104 is not feasible. So for the first time I have an internal revenue tracking meeting where I basically need to understand what we think is coming before we spend any money.

So I will announce Monday morning that we are also putting a cap on expense growth for the next four years. We are capping it at CPI 3%-5% and that any additional spending has to come through community approval of new initiatives.

So we are putting serious fiscal responsibility and organizational responsibility measures to cap the growth of ICANN and to make sure that any growth - many of you have commented, for example, on NETmundial. You felt that NETmundial was a good idea, everyone supported it, fine.

But has this been done with full view of everyone's agreement on how much we will spend on it? How it will impact my time? How it will impact our staff's time? Quite frankly I will admit to you, no.

So the Board saw and gave me the green light but no more. I am very committed that from now on we introduce a new initiative like NETmundial. I was just with ALAC and I can say it because Cheryl and others are here. And I told them, great stuff you're doing. They are organizing a massive effort, as they should because I think they're right, to understand how they take the ATLAS II recommendations to action.

But I told them, as they come back to me with a program, I'm not going to just bankroll it; I have to take it through a process where the whole community says, this is what At Large would like to do; is this what we should do? This is the impact it will have fiscally. This is the impact it will have organizationally. This is the value it will bring to various communities. Do we want to do it or not? And if you give me the green light I will do it; if you don't I shouldn't do it.

So these are important - I would call them frankly maybe - I will pin it on me maybe, you know, mean maturing and understanding how this community should operate and function. And I'm committed to that and I will be announcing these changes and the approach tomorrow morning in the opening.

Yes, it is very - sorry, the second bullet you gave me here is discussion on allocation of resources and focus of senior staff, because part of the resources is our time and effort outside of ICANN's primary remit.

Look, I must say a lot of folks correctly should worry and remain very vigilant to see if ICANN is stepping outside of its remit. We don't want to step outside of our remit, we really don't. I have no interest in it. Staff is absolutely overwhelmed with our remit much less more than our remit. We are working extremely hard to keep things where they should be.

And the flattening of our expense growth and staff growth is designed to make sure that we don't get to a point where we are just, you know, you have people, you have a lot of resources, you do things. We don't want to go there.

The area where we step - there is a perception we step outside of remit is the work we did in the last 12 months as it relates to Internet governance. And I think that's where most people are focusing when they see you step outside of remit.

It's a difference of opinion. You know, my view is that we protect ourselves by ensuring that the ecosystem supports multistakeholder Internet governance. And in fact it is helping us immensely. It's helping us in Bussan; it's going to help us with the General Assembly. It's helping us around the world because people are now seeing the multistakeholder model as a viable model. That's good. That helps ICANN.

Having said that I've heard you loud and clear, and I've heard my Board loud and clear. We need to reduce our involvement in these activities. I'm less and less involved in them. Tarek Kamel is more and more involved in them; that's his job to protect ICANN in these fora, that's what he should be doing; I should be focused more on our business and our remit. So you have my commitment to do that. So I hope this clarifies the focus moving forward.

Jonathan Robinson: Yes, Fadi, and if I could just make one very brief remark. I think that - the sense is, that perhaps if I may, that they are sort of aligned in the sense that if we - there's the big picture, the outside, the Internet governance focus but we also defend and protect ourselves through operational excellence, through allocation of resources to that and so I think that's the sort of balance that's being focused on here and that's what's really being teased out I suppose by these points.

So - but, I mean, I don't mean to make you go over the ground you've already gone over, just to highlight...

((Crosstalk))

Fadi Chehadé: No, but I agree with you. If we do a very good job telling the world that the multistakeholder model works but then ICANN doesn't work, we're nowhere. So I'm clear on that. And so I agree with you, these two things are deeply connected.

And in fact even people who deeply care about the multistakeholder model and its success and who are focused on that tell us that if ICANN falters the whole model falters because we are still, for good or bad, we are a reference model. People look at us and say this is a multistakeholder organization that is doing work. So we absolutely our excellence and our focus on what we do, which as I said, is my natural place and where I'm more comfortable. I'm very happy that my focus has shifted.

My staff in LA, Istanbul and Singapore may not be as happy because I am now very much applying all my energy and my focus on internal operational excellence. I'm just kidding; they're - I think they're happy. But I'm putting a lot more time on that. I'm very engaged internally and I think this will be - this will bear fruit for all of us hopefully in good ways.

I want to just - the registry group had submitted to us a list of areas where we can operationally improve, if you remember. And I welcome that very much. I understand the scorecard is looking better.

We have the scorecard around your recommendations and we will be - Akram and his team will be briefing you at this meeting a number of times on how we're doing on these things. I'm keeping an eye on these things and I want to make sure these things end up in our KPIs so that we continue managing them as we move forward.

So this last area is a little bit more broad. I just want to make sure I understand, update on our global stakeholder initiatives. Is this about the - what is ICANN and ICANN community role global strategy. Maybe some clarity on I think what I can help with here.

Jonathan Robinson: Fadi, I think the - and I'd welcome any other comments if anyone would - if I don't represent us effectively. But really there was a desire to understand, you know, we've had this year of tremendous activity in and around various global stakeholder initiatives and the NETmundial and all of it's gone on in the past 12 months and really trying to understand how, looking forward to what the strategy for that might be in the 12 months ahead, how the ICANN community fits into that, what's the post NETmundial and so-called NETmundial initiative, how those and what's going on with liaison with individual governments.

So those are sort of questions that came up in and around this set of global stakeholder initiatives going forward. So I hope that's...

Fadi Chehadé: Sure.

Jonathan Robinson: ...clear.

Fadi Chehadé: So this is a question really about Internet governance in a way and I had promised myself we will do very, very little Internet governance in ICANN 51 but I'll answer the question. We should keep frankly all of us, ICANN 51, about us, about our remit, about getting ready for that post USD transition, you know, building our stress tests, doing all the things we need to do to really perform our function.

Having said that just a quick heads up on that, if you recall the Board have very specifically asked me to start transitioning the efforts we put over the last 12 months so that there is no conflation between ICANN's remit and ICANN's focus on its role in this area. And the global dialogue about Internet governance and how it should be ahead of the General Assembly 2015.

Now key here is to remember General Assembly 2015, which starts in September 2015 through December 2015 is an extremely, extremely important macro thing in the space of Internet governance. This is when (WISIS) will be reviewed. This is when the role of the ITU will come to some clarity. This is when IGF will either be renewed or not. All of this is happening in that window.

So from - and it's good or bad that it coincides with the potential window of transition from the US government. So there are some big things happening around that time. Now between now and then ICANN's focus should largely be in the space to continue strengthening who we are, our maturity and the delivery of our remit. That should be our number one priority.

What is happening on the outside is that we are helping and contributing in continuing what happened in NETmundial in São Paulo to ensure that the multistakeholder model continues to be front and center as a solution for the issues that the world will be discussing in the General Assembly 2015.

However, that cannot happen here; it cannot happen at an ICANN meeting. It cannot happen through ICANN's activities. It needs to happen in broader

areas. We can participate in these other areas but not in our home, not here. They should be focused on our remit.

And that's what we're doing so the NETmundial initiative, which will be - which was announced in August - will continue to bubble forward. I think I can share with you quite openly that there have been some negative comments about the World Economic Forum as a home for this.

So the Brazilian CGI, the folks that manage the multistakeholder model in Brazil, and ICANN and the WEF will be meeting, in fact, here tomorrow to just see how do we better positioned the initiative moving forward. And it seems like CGI will come and help us a little bit so it's less the World Economic Forum and more maybe a broader coalition of people pushing it forward.

Now the form may want to have its own internal of forum initiative, that's up to them; they can do whatever they want. And I think frankly between us it's a good thing if the forum has the dialogue amongst its decision-makers. It doesn't hurt us to have decision-makers discussing a multistakeholder model.

But that's different from taking something that many of us right now regarding as a huge success of the multistakeholder community in São Paulo and handing it to any one party, especially a party that may not be, you know, as disposed to the models that we are comfortable with.

So again we heard as clearly, and we are addressing this. And I think there may be announcements later this month as to how this will involve going forward. But just to conclude on this, again, ICANN's involvement in this needs to be sized, needs to be clear, needs to be minimized. We need to be transparent about it.

And as this becomes clear you have my assurance this will be the case. But we're just not there yet, we're kind of trying to shape this as we go. Is this helpful?

Jonathan Robinson: Yes, thank you Fadi. I think it's a very comprehensive set of answers to those points. I think it'd be a great opportunity to see if anyone has got any add-ons or questions or comments relating to all of this that's gone on before.

Marilyn.

Marilyn Cade: Thank you. My name is Marilyn Cade. Welcome, Fadi. I think you - I really want to thank you for the clarity - for the clarity of your comments about recognizing the distress and concern in the community and both you and the Board taking that seriously.

I will just say I think it's incredibly important that you are taking it seriously. When you joined ICANN you and I had a conversation in a hallway and we talked then about operational excellence and the failure for ICANN, the greatest single risk to me, as I said then, was a failure of operational excellence.

I also, of course as you know, spend most of my business time on Internet governance outside of ICANN. And so I do really support the idea that there is a certain amount of ICANN's attention that has to deal with external threats and with the larger ecosystem.

But I do think that perhaps we've been perhaps not as focused on the operational excellence. And I appreciate again your comments on that.

My comment is going to go a little bit to the importance of linking to the part of the ICANN community that works outside of ICANN in these other ecosystem forums.

And thank you for your speech at the World Congress on IT. I think it was very effective and helpful. And I think for many of us who work in these outside fora it would help us a great deal to help ICANN more if we were

more aligned with whatever activities in Internet governance that ICANN does externally. So I'll just park that thought.

And then let me go on to the NETmundial initiative. There's a lot of mysticism still floating around about what the two tracks of the NETmundial initiative will be and what ICANN's role will be in either one of those. The sooner it's possible to clearly discuss that I think the better.

Fadi Chehadé: Thank you Marilyn. Thanks for your comments and your continued, frankly, mentorship which I appreciate from day one I started. And yes, we are meeting with the Brazilians and the WEF Monday.

And as soon as we are clear with them as to how much we will contribute, how much they will contribute, what will we do, who's leading on what, we will immediately come back to the community with that. And my senses this could happen as early as late October with that. In the meantime you have a moment, you know, I'm happy to share with you also where we stand on that after Monday.

Jonathan Robinson: Thanks, Fadi. I've got James next.

James Bladel: Thanks, Jonathan. And thanks, Fadi. Appreciate the update. I think it was one of the better ones that we had since - well since I've been doing this so I do appreciate - it was I think very comprehensive and very candid.

Just a couple of quick comments, responses, reactions. I think everyone is very pleased to see the course adjustment on the accountability issue. I think that's refreshing and I think that's I think moving us to a better place where everybody is pulling in the same direction. So, you know, compliments to you and Theresa and your staff on that one.

I'm glad to see that you are watching the financial issue. I still believe and I think that we express this in London that the assumptions that are baked in,

even with the adjustments, are still way outside of the line of - the area where we feel comfortable committing to that.

And I think as, you know, as the channel that touches the customer I think we have - we can be a canary in the coal mine for you a little bit in that regard and give you some early indicators of where that's tracking versus plan.

And with regard to Internet governance, I'm just dipping a toe in the pond here myself. I'm not a veteran like Marilyn, although I keep bumping into her and all these exotic places.

I can tell you that I'm a little encouraged that you're pulling back from that because that is turning into, for me, from my perspective, that's a black hole for time and money and travel. It's very difficult to determine, you know, where to apply, you know, where to put your shoulder against that stone and where to push.

I think that, you know, it's good to know that we'll have more of you here. But I don't think that that necessarily removes the Internet governance issue off the table because I think that there are Internet governance issues happening inside of ICANN that need to be examined a little more closely and addressed. And I'm thinking specifically some trends that we've seen with regard to government involvement in direct involvement in policy decisions.

So just some reactions there. And I'm glad that - I think overall, and I don't know if, maybe I'm just missing the point here but I thought it was an excellent update. Thank you.

Jonathan Robinson: Thanks James.

Fadi Chehadé: Thank you James. You called it, black hole. My wife has a different name for it. But it can be; it can be. I want to assure you that we cannot walk away from any of these subjects. But we need to be balanced. And I think I

personally just - and if I lose that balance the whole organization loses the balance. So I'm sharing with you, with direct and, you know, with all humility that I think we needed to adjust that balance and we did. And we will maintain it in a way that serves the community well.

As to the revenue bit - I don't know if Akram is in the room. He'll be very mad if I say what I'm about to say. But I think we need to - I want to talk to Akram about involving you all in our projections moving forward. It just seems to me that we are little bit missing an opportunity for more direct engagement. Let me talk to him and get back to the registries and registrars. Maybe there is some smarter way we can develop this as a community.

But for the first quarter of this year we are tracking on track; the revenue is on track. We have not missed it. But if I look at the trends of the new Gs, I've asked now for a regular update, which I didn't before, and I'm tracking it, I need to be very careful.

So we are on top of this more than I was before. I'll speak for myself. And I want to assure you we'll be paying very close attention. But thank you, James, for your comments as well.

And again thanks for visiting ICANN with your family this summer. I still tell people about this. But here's James on holiday with his family and I bumped into him in our lobby coming to visit ICANN. I thought that's amazing and that's fantastic that it showed that we are a community, you know, you felt that part of your tour was to show them where you spend a chunk of your time so we appreciate it.

James Bladel: It was kind of a prolonged career day for my kids. And I tried to explain how, you know, meeting Fadi what's the big deal and then my daughter saw something on YouTube, she's like, "I know that guy."

Jonathan Robinson: Nice idea for a holiday, James. I just want to...

Volker Greimann: Are there (picket) tours to the ICANN office?

((Crosstalk))

Jonathan Robinson: Yes, Klaus, I know you are next in the line. I just want to just capture that one point though. I think it's really important in this issue in and around the budget and I like the discussion that we've had, that's great.

I just want to caution us collectively about having a single metric for the success or not; that's the one point I would say. And I think for all of us there is, I mean, there's a multitude of metrics and we know it and we've got an analysis to do their on the success or not. But we just got to be careful we don't publicly highlight that as the only success criterion. Klaus, go ahead.

James Bladel: I'm sorry, I just want to absolutely agree. I just think that, you know, for financial planning and budgeting purposes always be conservative.

Jonathan Robinson: James, and to be clear, I didn't mean to suggest you were doing that either. I'm talking to myself as much as, you know, think the message to all of us to recognize that as a point. Klaus, I don't want to stop you.

Klaus Stoll: Thank you. Fadi, great update. Thank you. I'm sorry I'm talking about Internet governance but I hope that we can - it helps a little bit too close it. What you did and what CGI Brazil did a year ago was absolutely necessary and important.

Now it's time to step back. I'm a little bit, and you talked about it so we don't have to - I think a lot of people were, including me, very, very irritated that it has to be the World Economic Forum. Now you are clearing that one up. Great.

All I'm saying, trust CGI Brazil. They have the capacity and they are great to do that. And also, and that is my point, you - we are always expecting ICANN to do it or ICANN to deliver or Fadi to deliver or the Board to deliver. I think what you can do now is confidently go back, for example, to the noncommercial sector and say this is what I need you now to deliver.

Take over, including the finance. And saying okay, you are part of the multistakeholder model. That means we contribute to you and you contribute to us and that's what we need. And I think that is a new and better way to communicate now. Thank you.

Fadi Chehadé: ...I still have - I'm out of time?

Woman: Five minutes.

Fadi Chehadé: I have five minutes? But if there are questions I'm happy to still take them. Okay. If there are no questions let me make sure I don't surprise you on Monday morning, let me tell you what my message will be to the community after the opening of Pritzker.

I intend to largely focus on, as you know this is our AGM, our Annual General Meeting so I'm going to do a bit of review of all the things we did over the last 12 months, well, July 1, 2014 - July 1, 2013 to June 30, 2014. So I'll give an overview of that.

I will also be speaking about areas where we're going to strengthen a little bit our maturity and our growth. So one of them I already mentioned to you, that's what we're calling the financial and organizational framework that focuses on how we add new work to ICANN, so I'll speak a little bit about that.

The other area I want to talk to you about is compliance. Compliance to date, we have 21 people in compliance spread across our operational hubs in LA,

Istanbul and Singapore. They report to Maguy Serad. Many of you know Maguy. Maguy reports to me.

I will be announcing shortly that I'm going to be strengthening that area a little bit. Now I strengthening I don't mean that we are going to be doubling the staff, that's not what's needed. What's needed is to add two things to that area; or strategy and analytical capability, especially from a legal standpoint; and then secondly, more established escalation mechanisms when things are not working well.

So I will be announcing that I'm adding to my global leadership team a new leader, a new global leader, who will be the chief officer for contractual compliance and consumer safeguards.

Now, let me be clear, consumer safeguards doesn't mean we're going to take the job of all the global consumer and, you know, protection agencies; that is not our job. Our job is simply to have, within the remit of ICANN, within the contracts that ICANN has, attention and analytical focus on how do we ensure these safeguards are in place so that the domain industry is the industry we all want it to be.

And that person, many of you know him already because he's on staff, but I'm moving him to be part of my team. His name is Allen Grogan. Alan has been working with many of you on the actual contracting. Most of the new contracts that have come into place it was Allen's contracting team that has done them so he understands the community, he understands the contracts.

Many of the PICs and the safeguards in the contracts he made sure they're there. And he will move to my global leadership team. Maguy will report to him.

Akram have announced, if you remember a few months ago, and opened a position for registrant kind of - that will move in that area so that we have a

more comprehensive area that looks at our obligations and our commitments to the public interest. So I just wanted to give you the heads up so no one is surprised. And I'm happy to address any questions on that.

What else am I announcing? I think that covers the main things I'll be speaking about on Monday.

Jonathan Robinson: Got a couple of quick questions on that, Fadi. I've got - I think Ron and then James.

Ron Andruff: Thank you very much, Jonathan. Thank you, Fadi. Ron Andruff for the record, Business Constituency. Fadi, for a decade we've been hearing our CEO tell us they're going to strengthen compliance. For a decade we've cried and screamed and pounded the table and made such a fuss, and slowly, slowly, slowly we get to a point where we're staffed up.

It's very encouraging to hear what you're saying with regard to actually taking it to now start doing analysis and so forth so we actually get ahead of that curve so instead of being behind it.

One of the elements of conversation that we had this morning with the CSG and Bill and Bruce when we had our meeting with our representatives to the Board, Kristina Rosette brought up the fact - write a comment and it was a very valid one, I don't know if Kristina is in the room and pardon me for speaking about what you said but it's important to note that she - or comment was, "We need to see action. We need to see teeth."

And what that means simply is to say that when various transgressions, rather than simply sending notices that may or may not get responded to and the time lags and we know nothing about that in the community, we're busy beavering away, doing all of the policy development that we do, we never see any real strong action taken.

And it's time that we did. It's time we stop people go to jail for doing things, lose their contract for doing things, etcetera, etcetera. We really need to see something quite serious happen there because we've lived through 15 years of ICANN with all manner of transgressions. I mean, very, very serious ones. And they just kind of get slid off to the side, there's never any mention of it.

And I would venture to say that should someone be the recipient of extremely strong actions, losing their contracts, being thrown out of the community; that would really send a signal that we say oh, okay, our compliance people are doing something. But we don't feel it. We don't see it, we have no understanding of it.

So I'm encouraged about what you said but I have to say I need to see it before I'm going to believe it. Thank you.

Fadi Chehadé: Thank you Ron. Thank you for validating what I was feeling. And I'm sorry it took me a little time to get there but I've been hearing this, it's been building up. And again this is no - in any way no disrespect or comment on what Maguy has done. Maguy has built and operationally very, very effective team. They are now handling close to 5000 complaints a month.

But that does not impress me necessarily. What I need to start seeing is what you said, I need to start seeing a more strategic, analytical and effective way to address what these things mean. And it doesn't mean to create a police force here; this is not what we need.

But what we need is a thoughtful, analytical analysis that leads us to do the right things and to elevate the good players in this community, which by the way are the absolute majority. They are the absolute - the data clearly shows that most of the players in this sector are very, very committed, good players.

But we don't have the analysis and the focus - me, I didn't - on actually conveying this through actions, through communications and through facts. So Allen Grogan will help me with this.

And just for disclosure, Allen is one of my oldest collaborators. He joined ICANN a year and a half ago but I've worked with Allen since the early 90s, 91, in fact. I know him very well. He is a very, very capable attorney. Over 30 some years of technology and Internet law, lecturer on the subject, very solid individual who has lived in the business side but also understands the importance of contractual compliance deeply.

So please do meet him. I will introduce him to many of you on Monday. Take the time to bend his ear about what you've been waiting for. And I think you'll find him very thoughtful, very wise and very responsive. But thank you.

Jonathan Robinson: Fadi, I'm very mindful of your time. I know James wanted to respond and I think I had a hand from David and Stephanie as well but I'd encourage you guys to be brief because we've obviously got...

((Crosstalk))

James Bladel: So I'll be very brief Jonathan. Thank you. And that's I had some questions about just the future plans or strategies for Allen's role in that office, the registrant - let's table all of that; we can maybe talk one-on-one or we'll just wait and see how that plays out over the next couple of months.

I just wanted to respond to Ron's intervention. I certainly see the difference. I don't know what my share of those 5000 tickets a month are but it's a lot, you know. And we are responding to them. We are always on the clock and we have processes and teams to inbound and process those tickets.

So, you know, if it's not happening to the bad guys or if it's not catching enough - if there are not enough heads on pikes, you know, outside the gates

of the city I don't know what to tell you. You know, but it's certainly not coming from us because we are working our tails off not only to do the right thing in the first place but also to respond whenever something goes wrong.

Fadi Chehadé: And just a comment. Please help Allen shape what will make sense. So staff, just in the same posture I'm taking on accountability. We are here to serve you. We are here to serve the public interest. So we should stay focused on that and guide Allen who - I assure you, he's very, very much looking forward to the guidance that all of us provide him.

Also Maguy just published a very powerful new dashboard. Please look at it. It's on the contractual compliance part of the site. It's a very impressive new dashboard that she's publishing that would help us at least see the work she's doing. And again I look forward to you meeting him and sharing your views.

Jonathan Robinson: Now what is it when we say Fadi has got to go that you guys all come up to the microphone. Very briefly. We've really got to be quick. David, Stephanie...

David Cake: Okay my question was a really brief one. You mentioned new contractual enforcement mechanisms, contractual compliance enforcement mechanisms. Have you thought about community input into that? Because I assure you that many in the community are very keen to consider contractual compliance very important, and are keen to help.

Fadi Chehadé: Yes, and this is why I brought Allen on board so that I have a dedicated senior leader whose job is to meet with you, understand what needs to be done, bring that to an analytical and strategic level and then direct resources as necessary so absolutely. I mean, this is why I'm doing this so that we don't go into our own little ivory tower and say this is what needs to be done. No more. Absolutely no more.

So by all means please do reach out to him. You will find him to be an extremely collegial individual who will sit with you, learn and apply and direct my focus and our resources where the community needs us to.

Stephanie Perrin: My name is Stephanie Perrin. And I'm back at the World Economic Forum. They have been engaged in a lengthy project on redefining personal data in the Internet Society. I'm wondering if they were proposing to bring that piece of work to the table in the NETmundial discussions and also is anyone attending their meetings, most notably the champions meeting that was held in China last fall? NCSG, as you know, care deeply about privacy and this is of concern.

Fadi Chehadé: The first part of your question, I don't know the answer if they plan to bring that work to the initiative. They are here, they're attending ICANN 51. And they and the Brazilians and ICANN will have a session on Wednesday, by all means please pose this problem - this question to them.

As to Tianjin, yes, I went to Tianjin to China and I attended the meeting. They held a very good session on Internet governance which I attended. It was the biggest and most attended a session in Tianjin at the WEF meeting in Tianjin.

So clearly the issue is foremost, Klaus Schwab is that a good 20% of the focus of Davos this year will be on the subject so it is clearly up there. And I think we should leverage what they do. It doesn't replace anything we do. We should just leverage it.

As an example, the World Economic Forum has the unique ability to bring other industries, to bring the financial sector, to bring the industrial sector, to bring other sectors that are not typically engaged with us on these issues. So it's good that they're doing that.

But it's good they're doing it there. We have our work to do here, we will support them they are, but we stay focused here on our work, that's the commitment I'm making.

Jonathan Robinson: So absolutely final brief comments and questions from Phil and Kristina and then we...

Phil Corwin: Good morning. Philip Corwin. Member of the Business Constituency. Thank you, Fadi, I think we're all feeling more positive and cooperative atmosphere here and it's very welcome. Briefly on the World Economic Forum initiative, I think it's great to get the major corporate sector beyond the technology companies, Internet companies involved in Internet governance.

Quickly, between now and Davos what do you see as ICANN's involvement in planning for that and what would be the primary - the best goal, you know, in your estimation to come out of that meeting aside from generally extending awareness of Internet governance issues to the broad corporate business community.

Fadi Chehadé: It's just the latter. If that's all that happens that the corporate community and the senior political leaders who are there understand that we have a distributed multistakeholder Internet ecosystem that is working, if they just get that so they are not directing their people to head to the General Assembly in 2015 to say take it over, have the UN take it over, we just need them to be aware and to get business as well as government leaders who attend there - I mean, I spent a good two years to just get to Rousseff and Ylvis.

At the Davos meeting they will have Modi, they have the President of China, they will have Merkel, they will have Renzi and the list is huge. And they all committed to attend the session on Internet governance. So it's good. If that platform is used for that, great. Of the power to them, you know.

But it's mostly awareness. I frankly do not think at this stage that it will be more than that but that's valuable in itself, you know, because if these guys are aware I think it makes our life easier, Phil.

Phil Corwin: Thank you.

Fadi Chehadé: Sure.

Kristina Rosette: Thank you, Jonathan, for indulging me. I just wanted to follow up on Ron's comment that although I very much appreciate his taking the theme that I had raised this morning in a closed meeting, that at no point did I say anything about sending anyone to jail because I know that there are people in this room who would believe that I did.

But the bigger point is that - I know it's all over. The bigger point is really that from the CSG perspective it seems inevitable that with this many new registries that at some point in time one of them will engage in conduct that merits termination of the contract. Just it's - as a practical matter.

And the point that we were trying to make is that it's going to be very important to those interests - business interests that don't participate in ICANN but are watching the implementation of the new gTLD program for them to be able to see that when it really comes time to it, that compliance has got, for lack of a better description, the political will and fortitude to take the action that is really necessary.

And we're very encouraged by Allen's new position, but we did just want to underscore that. So thank you very much.

Fadi Chehadé: Thank you, Kristina. And thanks also for your help and guidance through this. I will leave you. I just want to tell you that I feel that we are entering a new page. I remember starting at ICANN and saying it's a new season. I really feel this is the new season, it's starting.

You know, so with calm and confidence and optimism let's build this together and let's show the world we are ready for this. I'm committed to it and I'm committed to work with you on it. And I ask for your help in the months ahead.

You know, I know there is often, you know, as in any community, including my own family, you know, a little cynicism, a little, you know, but let's show to each other that commitment to the public interest to making ICANN what it should be through actions, as Ron said, through actions, through real work.

And when I told people in Istanbul, we are going to stand down and let the community lead on accountability, even good people told me fine, we appreciate your words; let's see what you come back with. And they're right. They're right to say that.

So we're showing, without question, that we are ready for the new season by being aligned with you. And I want to assure you once again that I am now absolutely committed to the concept that it's not how much I get done or how much staff gets done, it's how much all of us are together on everything we do. Because not only will we be better off but we will have better results. I believe that, we will have better results.

So have a wonderful ICANN 51. I'm happy you're all here. Thank you.

Jonathan Robinson: Thank you very much, Fadi. So we'll close that session. And just to set expectations on where we are with the agenda and where I suggest we go from here. We had a placeholder for a slot here for further IANA stewardship transition and accountability discussions. My sense is that there's not a whole lot more to cover on that now...

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