SINGAPORE – SOP Working Group [C]
Sunday, February 8, 2015 – 14:30 to 16:00
ICANN – Singapore, Singapore

GIOVANNI: Hi. Good afternoon everybody. And thank you for coming in person or remotely, to attend this ccNSO Strategy Operating Plan working group meeting. We are at ICANN Singapore.

We are slightly late against our starting time, because we wanted to wait for possible members of the working group to join us here in Singapore, at least those who have not sent any update regarding their participation.

We are currently six here in person in Singapore, plus the ccNSO secretariat. And we have two apologies and we have one remote participant.

I have circulated the agenda which I drafted with [Bart], and I would like to ask you, first of all, if there is any further input into the agenda that you may like to add?

If not, I consider the agenda approved. The next is a roundtable. Recently after the ICANN ccNSO SOP working group meeting in Los Angeles, we had decided to send out a call for new members of the working group, and today here, live in Singapore, we have the pleasure to have two new members participating.

And so, our warmest welcome to them. Hope you will participate in person or remotely regularly and constantly in the future, especially contribute to the work of the working group. I would like to start with

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this roundtable of the members who are participating, again, in person or remotely. Starting from the new members. So I would like to start with Dina. Thanks a lot. The lady first.

DINA: Hi my name is Dina. I'm the ccTLD manager in Israel. I'm the manager director of the [inaudible] association as well. And go by the plans drafted that you got, so first I would like to learn a little bit by talking back. And I think a new view of someone that definitely comes from ICANN, and someone that's not [inaudible]…

…different views. And that's [my purpose], to give another view of contribution, contributing in this SOP thing. That is a very important committee, if not one of the most important that we have.

GIOVANNI: Thanks a lot. [Inaudible].

STEVEN: Steven here, hey. [Inaudible] American Soma. Actually I'm going to sit and observe for a bit, as raw material to wrap your head around. And I'm going to print it all out because I can't read it and comprehend it on screen. I'm too old for that.

Previous work with the [inaudible] working group, so I'm just [inaudible] to chat away for two hours at a stretch. I think the work in this group is very important. I have had real questions about the whole planning and budgeting process for years. I can still picture as clear as yesterday, you

ICANN | 52
Singapore
8-12 FEBRUARY 2015

just have a shakedown of the ICANN meeting Africa from the former ICANN head, where, you know, pay to play basically.

It's important work, and I'm happy to help contribute to it.

GIOVANNI: Thank you. From the new members, we are moving to the historical members. Some of the historical members, starting from [inaudible] Thank you.

UNKNOWN SPEAKER: [Inaudible] currently of dot RU, I'm head of governmental relations at dot RU. But in a week from now, general manager of [a gTLD]. What else?   My commitment, permanent commitment, and my passion, [inaudible] passion for this group has been long shaped, thanks to in particular to those who chaired this group, and to the current chair.

I believe we've made a substantial contribution to the attempt to improve ICANN's accountability, and partly sustainability, finance wise. And it adds some value to the overall performance and mutual, under bettering that mutual understanding between ICANN and the community.

So that was a part of our collective effort. Thank you.

GIOVANNI: Thank you. And [inaudible].

ICANN | 52
Singapore
8-12 FEBRUARY 2015

UNKNOWN SPEAKER: [Inaudible] speaking. Thank you very much Chair. So I'm a member of the SOP since it was actually created. I have reviewed a number of strategy plans and operational plans, and budgets within ICANN for a while now. And I think this group has made a strong contribution to making sure ICANN did not, is accountable on that aspect, and this is what really [inaudible]…

Right now, I am going to be, for the next few months, in a sort of sleeping mode, as my time has more dedicated to the accountability working group. But, there is a link, and the link being that it is a possibility that the accountability working group recommends that budget and strategy plans for ICANN be subject to approval by the community before approval by the Board, or after, or submit to reconsideration.

So I think, this is really one of the aspects of this group that we are in accountability mechanism within ICANN, and that's all. Thank you.

GIOVANNI: Thank you. And just to give time to [inaudible] to brief a bit, before I introduce myself. I leave the floor to Peter.

PETER: Thank you Giovanni. Good afternoon. My name is Peter [inaudible]. I'm from [inaudible]. I've been with the SOP group, I think, from the beginning as well. I have a tendency to agree with [inaudible], but not 100% in this case.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

I think this group has indeed done incredibly important work, but I'm not convinced that the importance of our comments has actually been reflected consistently in ICANN's planning cycle across the last five years here. I think we are repeating ourselves, and we should keep on doing that until they get it right.

But if I look at the comments that we filed two months ago, they are still significantly overlapping those that we filed five years ago. And so that's a cycle that we need to break, and I'm very interested to support or to do anything I can to make that happen. Thanks.

GIOVANNI: Thank you Peter. [Roloff].

[ROLOFF MYER]:   Yes. [Roloff Myer] from SIDN. Given maybe… So first of all, I have to first introduce myself. I just did. And then I have to decide if I agree with [inaudible] or not.

GIOVANNI: Not necessarily. [CROSSTALK] …regarding what you have done so far, what you think about the work.

[ROLOFF MYER]:   Okay. Well I was the chair of this working group for a few years. I took over from Byron. And well, I think Peter said it well, we've been repeating ourselves. I'm an optimist, so I see improvement, but I also like speed and I think it is a bit slow. So we have to just continue doing

ICANN | 52
Singapore
8-12 FEBRUARY 2015

what we're doing, and I do hope that this process of enhancing ICANN's accountability will indeed also help us to get some points done with.

And I think what we do is important that I think we consider it reflected in the perspective, although the point that we make are taking note by other constituencies. I think we very often have the full attention of the Board, sometimes we do not see full implementation afterwards, but I think they're paying attention, and we shouldn't just give up.

GIOVANNI: Thank you. I have a new member of my left, [inaudible] a new member who is connected remotely. So I would like to leave the floor now to Paul.

PAUL [SHILLER]:   Hi. Good afternoon everyone. My name is Paul [Shiller]. I'm from dot AU. And has Giovanni has pointed out, I'm new to the SOP group. Basically because I've got too much spare time between the IANA transition, and the country and territory names working group, so I figured I better do something to fill that time.

But in all seriousness, this is a group that I've followed, occasionally chipped into, always respected the quality of the work, and it has been around for a very long time and always done excellent work. I really just figured it was time to increase that contribution and be an active member. And it is as simple as that.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

GIOVANNI: Thanks a lot Paul. We have [Walter] connected remotely. Sorry, Alexander. Alexander, can you hear us? [CROSSTALK]

ALEXANDER: Regards from Belgrade, I'm Alexander [inaudible]. And serving as the CFO at [inaudible] Serbian registry dot RS and dot SRB. And being responsible for drafting and creating any budget of the registry, as well as participating in the creation of the overall strategy of the organization. And [inaudible] business planning and business [inaudible] project before joining the registry.

Well, I'm relatively new to the industry. I mean, ICANN industry domain name businesses. So I need time to fully turn into a new way of thinking during the initial work of the comments of the ICANN operational plan. But I think I will be able to achieve that, my full contribution being prepared to jump in the process with 100% capabilities and understanding of the process.

So I think our key contribution, first of all, I'm very happy to join the group, join the team. And I think our key contribution should be able to make an improvement in the planning process and planning documents [inaudible] complexity of business and accountability.

GIOVANNI: Thanks a lot Alexander. Thank you. So we look forward to your contribution. Thanks a lot, and before I state my participation, I would like to read the short statement that I received from Leslie. Leslie [inaudible] formally from, she couldn't be with us today, but she sends

apology with a list of text she invited me to read regarding our contribution to this working group.

I'm now reading the text from Leslie. I've been commenting on ICANN strategic and operating plans ever since they first produced them, which I think is about 10 years ago. I plan to contribute my skills and my experience from 15 years in leadership roles in the ccTLD, and to draw upon my studies, strategy in my MBA at [inaudible] Business School.

I hope that a better strategic and operating plans, which I think would be good for ICANN, ccTLDs and gTLDs, as well as all customers and stakeholders. So that was a statement that Leslie wrote to me. As far as I'm concerned, I've been following and participating in this working group since almost the beginning. I agree with [Rolof] and Peter that this working group has contributed quite a lot, but at the same time, there is a sort of frustration because certain comments have been regulated countless times.

And since that there is sort of wall in the ears of some people to take some of these comments on board, at least I believe that those people who are coordinating the process for producing the ICANN strategy operating plan, they might have some sort of challenge that's internally to make sure that our input is properly addressed.

I've been chairing this working group since the London meeting, as an intern chair, and that's one of the next points in the agenda. So about the appointment of a chairman. But I believe this working group has contributed, and as seen as a very respected working group at ICANN Board level, which is quite important because I believe the ICANN Board looks at us and sees in this working group some sort of [inaudible]

ICANN | 52
Singapore
8-12 FEBRUARY 2015

accountability mechanism for ICANN staff to say, let's say, believer on strategy and operating plan level.

That said, if there are no other feedback input from the working group members during this roundtable, I would like, before I move to the next point, to thank again Christina and Bart who are here from the ICANN staff, because they've been incredibly valuable to help the work of this working group throughout the years. So thanks a lot.

And I'm going to move to the next point, which is an introduction and a possible review of the working members of the working group, especially for new members who joined this group for their first meeting today. So far, what happened is that whatever there was an ICANN strategy plan or implementing plan published, the working group has divided itself into sub working groups, who are responsible for commenting on different sections of the strategy, or operating plan, or budget.

And so there was a work coordinated by the chairman and by Bart, to make sure that all the areas were covered, and there were sub working groups looking after, producing the comments for each of the areas. And then there was a sort of final touch work, in some cases for the master pace patchwork done by the chairman and Bart to make sure that by the deadline for the comments to the strategy or operating plan, that there was a production in document, a draft, delivered to ICANN as an introduction of the ccNSO SOP working group.

So far, we managed to always to deliver. So there was a comment submitted by the ccNSO SOP working group on time. And in the past, there have been several sub working groups. Recently, due to the sort

of restriction in the membership, before there was a new call for membership, it was decided to reduce the number of sub working groups to two sub working groups.

And so, let's say, generally there is, with the new membership now, the possibility of new members to have, again, different sub working groups, so not only two. But it's open for discussion, how you see, especially the new members, I'd like to hear, how do you see the structure of the work of this working group, how we can move forward for the future.

And again, each sub working group will be called to look at their section of the strategy, or operating plan, that are called for, for producing comments. But, you know, there of course, not expected to look into other areas of the strategy planning, of course, have valuable comments. And again, there is going to be a final work to assemble all of the comments.

I don't know if I forgot anything. I'm looking at Bart.

BART: [Inaudible] there is one that is important to keep in mind, the sub groups were divided almost by the chapter of the operating [inaudible]. Until recently, there were four chapters, or four focus areas, in the future there will be five.

So if you would go forward down this path, it would mean that we would have smaller teams looking at each of these chapters. And one of the experiences say that the chairs and I have noted, is that even within these small working groups, just one or two members

[inaudible]. And that was probably one of the concerns to make to review the process again.

And that's also in the call for volunteers, at least if you would imply, it also implied a commitment to spend at least six to 10 hours, say during a quarter, up to four, to be able to perform your role in one of those things. [Inaudible].

GIOVANNI: Yeah, that's a good in terms of, especially in terms of the time to be dedicated to work. And again, it may vary, the timing on the level of detail that you can find in the strategy operating plan. The latest strategy operating plan of ICANN have been, let's say, a bit more extended in terms of the content, compared to those we have seen some years ago.

So, I'm opening the floor for discussion. And again, I'm looking at the new members. If you would like to keep the workflow organized like this, having sub working groups, up to five sub working groups, if you want to stick to the five sessions on the operating and strategy plan?

UNKNOWN SPEAKER: [Rolof], as a former chair and running a couple of these rounds of comments, do you have any additional comments on the way that you and I more or less designed this way of working? Which that was at the Senegal meeting.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

[ROLOF] MEYER:	The thing is, if I would have an idea to improve matters any further, I would have tried to implement it. So, I think it works the way we do it. It places the work up, it gives a few more people the coordination, [inaudible] the chair and yourself. So I think as long as we manage to split the work up in logical areas, and I think the best way to do that is to stick to the plan that we are actually commenting upon.
	And it seems that ICANN has now introduced a fairly stable way of building up their plans. I think it will continue to work. I don't have a better idea. I'm sure there is, but I just don't have it.
UNKNOWN SPEAKER:	I think it's working quite well. And I'd rather be in a small team of two people, looking at one-fifth of the document, then being in a team of 10 people looking at the whole document. Because that is not going to make the work any lighter. But I really like it because it's manageable, it's [inaudible] that you can get through in what? One hour?
	[Inaudible] so I like it, and I would definitely support going forward like this.
UNKNOWN SPEAKER:	[Inaudible] Yes, I support this way of working as well. I think what is also extremely important to facilitate work is, starting from what was said the year before, on the same topic, or on a topic that was similar to it, I found that going back to the latest contributions, is an excellent starter, to check whether there has been progress, to check whether the inputs have been taken into account.

And so if I had one suggestion to improve efficiency, it would be to kick start the discussions on the various sub groups with… And here is the relevant material from last time. Because it just facilitates the whole thing. Unfortunately, the strategic and budget plans do not change much year after year.

The weaknesses remain sort of the same. And so, it's very consistent. I think that's very useful to start with what was designed last time, and that would facilitate on boarding of team members.

UNKNOWN SPEAKER: Thank you [inaudible]. I think that's a very good suggestion. So I'll keep it on the list and say, as soon as we have new material coming up, then I will provide last year's or the last two years' of submission. One more question relating to the working groups, if you say the group is going down this path. Until now we've been working with appointed coordinates per group.

So there were a little bit, they were set in a way. And again, there was a experience that some coordinators put in a little bit more effort than others.

So, it maybe, I don't know, I just, for discussion, is we start with a group, and we had stable groups. Would it be an idea to maintain these stable groups? Or do a kind of rotation, or otherwise you're stuck with the same group and with the same coordinating. It doesn't take any effort, as [inaudible] has to check and appoint everybody, and it's fairly easy.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

GIOVANNI: [Inaudible] please.

UNKNOWN SPEAKER: [Inaudible]. I think it's a great idea to move people around, because over time, you're absolutely right, the suggested, you may get a little bit used to whatever material you go through time and again. And exploring some relatively new areas might result in, let's say, in a fresh look at certain things.

So I would technically support it. Plus it would, of course, proven our expertise, and you know, at the end of the day, add a certain value to the overall process. Plus I would disagree with [inaudible], that's quite understandable. I would say that over time, ICANN's documents have increasingly become more sophisticated, and more liberated and that's partly a result of our effort.

So for newcomers, as well as for the veterans of the group, it might be also very beneficial to go through different aspects of newly published, or newly posted, documents.

UNKNOWN SPEAKER: Maybe with one caveat, if there is behind dictatorship, then we do a rotational system.

GIOVANNI: Okay, so. Let's take, as an agreement, that the working method stays the same. So it's going to be divided in sub working groups, and the final product, the final draft, is going to be assembled by the chairman

ICANN | 52
Singapore
8-12 FEBRUARY 2015

together with the help of Bart, so that we deliver the final product to ICANN on time, as we have done so far.

So, thanks again. And we'll make sure that there is a rotation. We'll also make sure that the division of the membership into the sub working group is done under democratic principles. So it's done by the chairman.

It's democracy, proved by Russia. There is a proposal by the chairman, and of course, there is, you know, you can always say no, and then you're going to be expelled by the group. Okay.

So we have, I guess, covered this point. And the next one is quite a complex one, is the nomination of the chair. And yes please, I leave the floor to Bart as he's going through some, you know.

BART: Yeah. According to the charter, the SOP working group members nominate a chair, and as you know, Giovanni is the interim chair, until this meeting. So at the end of this, or before Wednesday, I need a nomination, or the Council needs a nomination, in order to appoint a formal chair for this working group.

In order to facilitate the work of this working group, because there is a limited number of counselors, the SOP chair will always be invited to attend say, relevant council calls, because that is, as [inaudible] has noted, and others, that was probably part of the strength of say being on the SOP. You work rule of law as the counselor, and chair of the SOP, and he was kept abreast of what was going on, and the sense of the council, and the sense of the SOP.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

So he could represent the interest of the SOP and of the council to the broader community. So in order to make it easier on you to nominate a candidate, that person, what that is going to be, will have access to the council calls, etc. as well.

So nominate by email or…

UNKNOWN SPEAKER: Let's nominate by email.

GIOVANNI: I see that [inaudible] been just arrived within enormous delay. We have been waiting for you 45 minutes. That's okay. We forgive you.

…really up to the members, including those who are falling remotely, to decide… Yes [inaudible].

UNKNOWN SPEAKER: I would like to nominate Giovanni. He did such a fine job this year and I think would do a fine job.

[APPLAUSE]

GIOVANNI: Thanks a lot, I'm flatter. I hope I will serve the community as my predecessors. Thank you.

Now over to the next part, which is a quick introduction. Thanks [Xavier], Suzanna, and [inaudible] for being with us today. As you may know, the ccNSO SOP working group, there was a call for new members

recently, and we have new members in the working group. So I would like to leave the floor to the new members to quickly, really quickly, just name a surname, and we have done it for others.

But if you would like to do it for the ICANN staff, who will be with us in the future, I can do it.

Okay. Please, just name and surname, and your affiliation.

UNKNOWN SPEAKER: My name is [CROSSTALK] and I'm the ccTLD manager for dot IL, as well as the managing director for the [inaudible].

UNKNOWN SPEAKER: [Inaudible] America Soma, and I'm the manager for that TLD.

UNKNOWN SPEAKER: [Inaudible]

GIOVANNI: Thank you. We have remote, Alexander.

ALEXANDER: My name is Alexander [inaudible] from CFO at Serbia dot RS registry.

GIOVANNI: Thank you Alexander. We have now you four, an opportunity to discuss with ICANN staff the feedback that they just provided, and that they just posted online. Yes.

UNKNOWN SPEAKER: …new members. Suzanna, would you…?

SUZANNA BENNETT: Suzanna Bennett, COO, and thank you for inviting us to this meeting, and to welcome any questions.

UNKNOWN SPEAKER: [Inaudible].

KAREN: Karen [inaudible], I work in finance with [Xavier].

GIOVANNI: Thank you. So, we have been, as I have said, lucky that recently ICANN has hosted, I think less than 48 hours ago, the feedback to the comments, eight comments received by different constituencies and members of the community, on the ICANN operating plan 2016 2020. We have been, we have submitted our comments just before Christmas time.

I think it was Christmas Eve that I sent the comment, a gift for ICANN. And it was our gift to ICANN before Christmas. And we would like to hear… I managed, when I found out, because I had this voice in my ear to check, check, check, check, and in fact, I checked and there was the feedback published on the ICANN side to our comments.

And I've seen that there are some comments that have been taking onboard. Some others that ICANN has reiterated that you're still working on it. And I think we have an update, so before getting to possible details, I'd like to leave the floor, I don't know with presenting view, Carol and [inaudible]?

Okay. I'll leave the floor to you.

CAROL: Thank you very much, and thank you very much for letting us come and give you some feedback against the five year operating plan. It is the first one we've ever done. And so, it is a learning curve for us too on what needs to be in there, what the stakeholders feel is important to put in that plan. And we really do appreciate all that ccNSO has provided.

I'm going to show you just an overview to start. And I would like to point out that in the document that has been posted, for every category we put, we put a box with an answer to every single question, and gave rationale, clarifications, and information on those. I have learned that people would really like me to put on the election side who gave every comment, and it's not there on the document, but I will go back and refresh it and put it in, with case numbers, so that if you go forward, if you have specific feedback, specific to a line, we will provide that.

So I will go with you that very shortly. I think it's important to kind of sit back just a moment and talk about ICANN's planning process as a whole. It is something that we have continued to develop and work on. This is because of some of the feedback the ccNSO has provided us to

that, for example, the strategic plan, though it was specific in trying to get to a direction, it did not give the who, what, when, where, how you might execute on that strategy.

So the introduction of a five year operating plan, with savings per year, allows for that, allows to also include key performance indicators, it allows for dependencies and detail phasing. And as I said, it's the first of that. The second document is a lead-in to the five year operating plan, also allows us to look ahead and predict as to what should go in the annual operating plan, and be more specific about the details and execution of that plan.

I think it would be remiss though, not to say the last piece of it is that we are continuing to build a better achievement and progress reporting system, like the quarterly stakeholder calls, like the dashboard development as we're going forward, and also for other reporting mechanisms like the annual report, and those things where we are putting more specific, detailed, measurements in place.

This is a high level, we're going to talk about the five year operating plan, the comment, and we're not going to, probably, today talk about the 16 operating plan and budget effort. Quick summary of kind of the synopsis of the three key components that were delivered in this.

The first is, it's positive feedback. People do want to see the five year operating plan with its level of specificity, and more than anything, people gave us feedback, they like that the strategic plan looked very similar, and was formatted very similar to the operating plan, and the annual operating plan.

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So there is an easier communication between the three, and how they correspond and tie together. The process also is a link, and so there is a good continuity and alignment between all of them. And lastly, that there needs to be a continual improvement as the process, as we learn more and move forward.

The second comment that was quite prominent is more work needed to be done to refine the KPI. It is a first set of comprehensive gold level, and there is 20 of them in there to date. When it says more specificity and clarity, it's truly what the stakeholders and community are asking for, like targeted goals.

Better clarification of what we meant by an index. One of the comments, for example, [inaudible] …provide feedback on [inaudible], it is therefore very disappointed. Some of the KPIs are still missing and/or proposed. KPIs still need to give significant work and revision regarding most of the goals.

The answer is, it's true. It's the first one we put out. It's an evolving developing process, so the answer is, we are trying to move forward but, to put a good goal level, key performance indicator out there, you need to have data being collected in its processes.

You need to have a clear understanding of what the percentage of the goal you're heading for, but without one in place, setting that benchmark as to what you can accomplish over what period of time, five years, in this circumstance, is something that we're still developing.

We will continue to refine them when we put them out. We will continue to then to be evolved. They are not fixed, which is another

ICANN | 52
Singapore
8-12 FEBRUARY 2015

one of the comments that was brought up was, is it fixed in place. Like what we put in now, will we hold it for the full five years? No, we are going to evolve it, as circumstances and as data and information is available.

An example is, if we called an index and we only had two or three parts of that index available, you will come back and say, "We wish that index was more complete than the one it is now." We will be adding to that. We will be putting more high level, but I think it's really important to reassure you that we have done more metrics and data throughout the whole process.

You might have noticed that in the public comment analysis that was done, there was quite a lot of metrics and data put to explain why that changed occur. So I'm just reiterating that we're growing and building in this area, and that's the element here.

The third one is the financial model, understanding of the ICANN approach, the introduction of that. We did get a lot of good feedback, so that's a very good, new inclusion in our operating plan, and you'll hear more about it as we do. And some of the assumption revenue. Very few changes. In fact, most of it was very positive about that inclusion.

Quick synopsis. As you said, there were eight. The importance here is that it is broken down by the parts within the operating plan, so the planning and process part, the key performance indicators, the dependencies, the phasing, the financial models, and the others.

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It was a judgment made as to whether that fits into any one of these categories, but you can genuinely see how they all fit. And in your case, there are many comments put and incorporated into this plan, and we thank you for that.

I think it's also important that you add all of this stuff, there are 100 comments and items. It just shows that we're trying really hard to also be very detailed about responding back, and trying to be very specific about the questions that… And it also takes a lot more time when you have 100 comments, and that's why it's taking a little bit more time to put forth and produce the results, which is some of the context.

People felt that if they had submitted them, and we'll call it, in December, why did it take us through January to put them in? I'm going to go, I'm sorry. For each one of the columns, I'm going to give you a highlight as to what that comment is, and a little bit about some of the information shared.

The first is, when, what is the process for updating the five year annual operating plan? Is one of the comments. It is an annual operating plan update that's going to occur, and these five steps will be repeated annually, in the same timeframe that we did this one. In other words, we were doing it prior to the launching of the FY 16 operating plan, if you were looking at the time.

Next one, this has to do with the KPI comments. Many of the KPIs were written very oriented to a particular goal, but there was a couple of missing components like stakeholder feedback in those, and I'm not going to go through every one of these because you have an

opportunity to look at this, but that is one of the pieces that was very important, and I will quote what I think is important to share.

I'm just, sorry. I have the spreadsheets of each one of your comments, and I wanted to tie them together.

Yes, thank you. Some of these, and we will go through this, specific questions and clarifications all can be found in the report, but specifically, will they get updated, which is in a lot of the questions, in the five year operating plan? We are in the process of doing that.

There is a red line and a clean version out being posted. It will be updated again before it is presented to the Board, which is what a lot of people have asked. Dependencies, some of them have been revised to be specific to that dependencies, and also the one that ties with dependency for 2.3, which has to do with adjusting the community, engaging with the community as something that they felt needed to be on all of them, not just on one specific, yeah.

And it's just acknowledged that we heard you and we will change that. We'll put that into the plan. Same thing, one of the comments put up is the elimination of the SO and AC process. There was a concern about that. [Xavier] will deal very much with that. It says that we wouldn't eliminate that until we have a full planning process that encapsulates that SO and AC request. Right now it is considered independent of, and it's going to be folded into the whole process.

This is a really important one. In many of your comments there was things about the strategic plan. Could we revise it? Is there a duplication of wording? Could we change it? The answer is no, we're

not going to change the strategic plan. The time of the strategic plan would have changed, would have been in that 18 month window before it was presented to the Board.

We are planning that we will maintain the existing strategic plan unless something critical or significant occurs, otherwise the document is somewhat frozen until that occurs. So the earliest it would be updated is in FY 19. Okay.

Financial models, do you just want to jump in at this point, Xavier, because you had a few points you wanted to make here.

XAVIER: Thank you Carole, simply, as Carole indicated earlier, the fact that there is going to be a financial model as part of the five year plan is welcome. For you guys it's, I think, a given. We, the comment that's number two here is, I think, one of yours, relative to the difficulty to access whether the activities that are in the plan are affordable or unacceptable, increases or decreases our resources. So I'm going to put it differently.

The plan has activities, what we do not have in that overall five year operating plan is a clear link between how the activities translate in terms of resources, and how those resource requirements aggregate in terms of the financial model. So that link currently is not transparent is not existing. And what we look at is an overall set of envelopes of revenues and expenses, but the expenses are not the result of the consolidation of all of the resource required for the activities that are in the plan.

And that's, obviously, a direction that we want to go to. It will take a lot more planning capabilities in your organization, tracking tools and processes in order to associate every step of the five year operating plan, for every project and portfolio with a resource requirement, and aggregate those at the company level.

This is a logical path, and objective. It will take us maturity to get to that point, and I think then there will be much more transparent visibility. So what we are doing currently for the budget process, where we have the breakdown by portfolio of the amounts that make up the total budget, and broken down by personal and so on, replicating basically that model for the five years of that operating plan, is ideally what we would like to get to, and we're not there yet.

There was a question on clarifying the new gTLD expenses as well that's roughly straightforward. And there were some questions and requests on clarification. I think overall, people like the fact that it's going to be there, that clarity and level of detail behind the total model is something that we're going to need to, progressively, over the next two years, fill in.

CAROLE: Thank you Xavier. The other comments, and there were a lot in the other comments, they were everything from typos, to requests for more information, to the strategic plan changes, all of those we have identified and we're telling you we will correct the minor ones, we will show you the explanation of the others, and lastly, we are not going to change the strategic plan at this time.

What does it take to finish this effort? The timeline to complete this is we are, once we give it to the Board at the end of March, so they will probably review and approve it in April. These are the three steps that we're going to continue. We're going to take all the feedback from complications here in Singapore, and in any formats, and then we will update the document one more time and present it to the Board.

This is the timeline which I've just shared. The next piece, I talked a little bit about, this is a little bit bigger image of what that process, the annual update process for the five year operating plan. And then I'm going to go on to let… That was just kind of the five year operating plan quick synopsis for you. If I add in the comment on the left, then you can look, I'll comment for comment, I think. And since we did answer each one of these, it allows.

I would say that, in some cases, the key things here is that the key performance indicator, continual improvement. We've heard it will be evolving [inaudible]…

Any questions?

GIOVANNI: Any questions from the floor? I have a question. Shall I start? We have been, you know, we have said in the comments, we have submitted that there was disappoint with the group because of this, again, lack of the quantity, let's say, of the KPI. We would like to say an operating plan. I believe, as we have spoken about this previously, I believe that you are collecting everything from the different departments and the different

units, and I do believe that you're testing on the [inaudible] that the community would like to see more KPIs included in the operating plan.

I would like to understand if the staff is responding well to this question from you to make sure that there are more KPIs associated to directions, to the plans of each department. Or if, you know, if it's a matter that is still not so crystal clear at staff level.

CARLOE: Go ahead Suzanna.

SUZANNA: Thank you for the comment and question. You might have seen, I think, with the last one of the presentations we did, on the dashboard effort that we have been focusing on as a team. And we had a permit slide that we did. The dashboard which has three sets of audience. The bottom one is more the staff, what the KPIs and dashboard we need to function day to day. And then the middle part of the pyramid is management, global leaders.

So the dashboard KPI would be at a higher level, a more summarized level for decision making, highlight of this and whatnot. And then at the top of the audience pyramid is really to present a dashboard and KPIs to the community and the Board. As we are finishing this five year operating plan, we looked at what is the best way to present the finalize the dashboard, to present to the Board and the community.

And we assessed the best way to look at what are the goal level KPIs, then drive the dashboard presentation for fulfilling the KPIs at that

level. Instead of drill down to the day to day. So today the whole organization has about 120 KPI dashboards for the very bottom layer of the audience with internal focus. And some of that, of course, we used for a bit level, but very few would sit at the top level.

And the team right now, the cross functional team we have, the cross functional operating management working group that we're working on, to make sure the KPIs for this operating plan goal level will be the right one, and the comments from the community that really helped us. So we're working on that right to look at what we have today, the KPIs and the dashboard we have internally, and how we can match that to the top of the pyramid audience requirement.

And that the timeline is that we will review that internally with the global leaders, beginning of March. And then present to the Board in late March. And then with the agreed set of KPIs at the goal level to match the operating plan, then we will make sure that, so we come together and have the presentation ready for the community and the Board by Buenos Aries, and that's our timeline.

GIOVANNI: Thank you Suzanna. So it is likely that the quantity, let's say, of KPIs as we have seen in the draft operating plan, 16 20, is going to be in the final, let's say, draft that is going to be higher. Because I understand that the final draft is expected to be approved by the Board by the end of April.

So there is still some time to refine, include more KPIs. Am I understanding right?

SUZANNA: Instead of quantity, it is more the quality of the KPIs, because it should be at the top of the pyramid, for the top of the pyramid audience. It should be more summarized. It could be a key map, it could be a traffic light, could be certain charts that really present the strategic level of what we are doing. So that's what we are looking at, instead of numbers, the quantity, we really want to look at the quality for the presentation of the dashboard.

GIOVANNI: Yeah, I think it's also a matter to introduce KPIs, and so I was referring to that when I said quantity because there are some of the, you know, some elements in the operating plan that are completely missing KPIs, so before looking into the quality of that KPI should be a KPI introduced that.

SUZANNA: And appreciate all of the comments that your team provided.

UNKNOWN SPEAKER: Thank you for the presentations. Should bring into this conversation about quality and quantity of KPIs, that there are two things we're looking forward to. One is, insuring that any action item undertakes has pretty fine results, against which it is a success, whether it was a success or not. And that's quantity, that's what Giovanni was saying.

And then there is focus. Focus is a long standing comment of our group that ICANN needs to focus its efforts, and ensure in the strategic plans,

ICANN | 52
Singapore
8-12 FEBRUARY 2015

in the operating plans, where it is… Which priorities it is aiming at, in terms of improving performance, in terms of creating new things, and ensuring that focusing the efforts ensures delivery on time on budget, and on quality. And so, I fully relate to what you were saying about the top of the pyramid, and having a short number of goals.

I would, I think that the relationship between the two is, any activity should have KPIs, shouldn't be negotiated within ICANN, and there are strategic KPIs that should be monitored at all levels. And we would welcome discussion about this in the strategic plans, in this group, and rather, I mean, we would love to spend less time in the process, discussing how the process is going, and more time into what the choice of KPIs that are on top of the pyramid, why they're here, and how they're going to change in the next one, two, three years, because I think that's the core of the discussion of that strategy, right?

The priority.

GIOVANNI: Thank you. Any other comment? Then we move to the second part of the presentation. Thank you Carole and Xavier. [Inaudible] is going to be in charge of it. Thank you.

XAVIER: Thank you. I was going to take a few minutes to do advertising for the stakeholder presentation we done. I thought it would be useful for not only this group to have a quick view of that quarterly now presentation that we have been doing for the second time. It was on 29th of January.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

It was covering the period of October to December, which is our second quarter of the fiscal year of ICANN that starts on July 1st.

This first call was in November 20th, on of course, the previous three months. We intend, of course, to continue doing that on an ongoing basis. The information in it is quite comprehensive. I don't know how many of you, if any, have had the chance to either obtain, or after the fact, look at the presentation and listen to the recording of this quarterly call, but it's covering the entire organization.

It has a lot of information on the status of what's been accomplished, and we do intend to use it as a tool for communication in ongoing updates of the stakeholders, and anyone interested, of course. And maybe leveraging from that perspective this document and call to free up time for doing other things than updates, notably at ICANN meetings, for example.

Plus, of course, the advantage of this goal is it's available to a wider audience, then simply the attendees to an ICANN meeting as well. There is a certain amount of press representatives that have attended those calls over the past two instances. I only hear extracted three slides of the overall 40, and something slight presentation, and of course, selfishly, I've extracted those from the financial section.

Next slide please, thank you. So the entire deck that is presented, is structured as is in front of you. Fadi has presidential review for about 10 minutes, then David provided an update on the policy development following Fadi for 10 minutes. Sally has provided the management update on the rest of the organization for about 15 minutes. So this

ICANN | 52
Singapore
8-12 FEBRUARY 2015

EN

management update is presented at each call by a different global leader. Last time it was [Akrim].

This time it was Sally, but both of them presented the same scope of updates on the organization. And then the financial update that I have been doing, and then we had Q&A, a Q&A session after. The next slides are simply going over, three slides going over the fraction of the financial update.

This slide here is, I don't know that everyone can see it very well, it is simply providing a very high level overview of our revenues. The dollar value indicate revenues for the first six months of the year, so they're cumulative. There not just quarterly numbers, they're cumulative numbers for the first six months of the year.

And this simply is a very straightforward, two dimensional diagram with the registries driven revenues, the registrars driven revenues, and indicating here that, on the right, a fraction of our revenues is driven by the number of contracted parties that ICANN interacts with, which represents approximately 25% of our revenues. And on the left here, we have the revenues that's driven by the number of domain names registrations, which is the variable fees that ICANN collects on the basis of the number of transactions regarding registrations.

And which represents approximately 75% of our revenues. I don't mean to exclude the 3% remaining here, because there are those 3% in which the contributions from the ccs as well as other sponsorships are up here. Any question on this? No. [Rolof].

ICANN | 52
Singapore
8-12 FEBRUARY 2015

[ROLOF MYER]:	This is [Rolof Myer]. Xavier, are you going to give us a reflection towards the budget?
XAVIER:	Next slide please. So the four components in each of the four boxes that you had on the previous slides are here in bars. The red vertical bar is indicating what the budget, where the budget was. And I'll go quickly one by one. The registry transaction fees, so the fees driven by the number of transactions, variable, is slightly higher than budget at the end of December, but one million.

Simply because the volume is higher, right? Our prices fixed, so that's the only driver. As you, we are not breaking it down here, but as you may anticipate, it's driven mainly by the legacy TLDs. The new, the TLDs that are lowering in number, and we'll talk about it here, have a smaller amount of transactions than budgeted for, not by a large extent, because the number of transactions at this time of the year was not very large anyway. It's not, the impact is 100K in that variance, so it's very minimal, after the first six months of the year, it would be a bit higher otherwise.

The registry fixed fee this time, which is simply the $25,000 that each TLD in the root pays to ICANN, is below budget by a million, so five million versus six, simply driven by the slower ramp up of the number of TLDs into the root, right? We are at, sorry, at the end of the quarter, we were at 481 versus a budgeted number for that, at the end of December, for 678. So there is a gap.

And of course, that gap, if it would continue, would drive a [inaudible] of revenue for that piece by the end of the year, which we are expecting to happen of course. The registrar fees included in this bar both the variable and the fixed. The fixed are the application fees for the new registrars, or the accreditation fees of existing registrars.

There has been, some of you have seen that. There has been applications for new registrar accreditation in the course of November, December, fairly significant, about 400, 450 new registrars have applied and driven the main part of that favorable variance. And some of your contributions timing for the ccs as well as a couple of others, drive a temporary timing variance for the other income at this stage.

So this drives a net variance versus budget, which leads to having, at the end of the first six months of the year, a revenue slightly above budget by two million, some of which being time, some of which being more permanent. Any questions on revenues?

Next slide, expenses. This provides an overview of both operating and [inaudible] expenses. A budget for 101 million for operating expenses for the full fiscal year, of which 46 was expected by the end of December. We're at 45, right below. There was one more slide, more detailed, in the stakeholder presentation which I didn't pull in here, and if you want to go over it, we can.

Capital expenditures are three million versus the four planned in the budget. The initiative specific costs, in this case, the USG transition costs, the rounding is not helpful. It's actually one and a half million, versus a budget estimated at this point of time that was three million,

for a full year budget of USG expenses, USG transition expenses that was estimated at seven million.

The seven million, as we have already discussed [inaudible], there was a lot, you know, fingers in the air that at the time, because it was extremely difficult to actually predict what would be the activities that would contribute to that project, at the time we finalized the budget, so there was a lot of placeholders in there.

What also transpires from looking at those numbers is that the activities of the groups that, cross community working group and some of that we participate to, have been slower in ramping up their activities than we had assumed there would be, when finalizing the budget. It is expected that the rate of spin will increase, now that the substantive work has ramped up to more significantly.

In the, sorry.

Well if [Matthew] would have looked at his section of the budget for the public comment six months ago, he would know that seven million of budget for the USG transition.

[MATTHEW]:   I wasn't planning to be co-chair.

XAVIER: So blame him. Now honestly, of course, after having spent about a million and a half at the end of the first six months of the year, are we going to spend the 5.4 million remaining in the full year budget? I doubt

ICANN | 52
Singapore
8-12 FEBRUARY 2015

it, but it's, yeah. This is not an invitation. This is not an invitation to spend more.

And of course, it's driven by the activities of the, that will be driven by the group, so we will monitor that, but just thinking about one rate, it's just difficult to, for the next six months to go through 5.4 million. Hopefully that will not happen.

Sorry?

Yes, I will. I'll monitor it very closely as well. Yeah.

That's it. That's the only slides that I had extracted from the presentation. In the presentation, there is also two or three slides on the new gTLD program's financials, as well as the [inaudible] under management. If there is any interest, I'm very happy to bring them up, but we are at the end of the time allotted, so I didn't want to spend too much time on this.

If you would like the link, in your email, the link to the presentation, it's very easy to do as well.

Yes, it's on our website, right. So if you go on our website, you do a search on quarterly stakeholder calls, you'll get it right away. But I'll send it as well.

GIOVANNI: Yeah. Thanks a lot Xavier. Any comment on the presentation made? [Inaudible], is it about the seven million?

| UNKNOWN SPEAKER: | No it's not. I would be conflicted. I think this is a very useful way in showing progress, and I hope we have a similar structure in the further budget, including year by year trends on those metrics, because I think that would be extremely useful. And I'd like to make sure my understanding of what was presented was correct. |

[Inaudible] the budget has been, you know, reviewed before Board approval with significantly less revenues and so on. And what I read here is that revenue is slightly over this reviewed budget, so in good shape. And costs are under control. And so you should be doing, achieving that budget is your expectation now.

| UNKNOWN SPEAKER: | Was that wishful thinking or is that a question? |

| UNKNOWN SPEAKER: | My question is, yeah, correct? That this is a situation of Q2, that is under control and there would be no need, there is no intention to further review the budget with your lower revenue for the cost cutting or something. |

| XAVIER: | So, part of the intent in sharing the various parts of the revenue, the four parts that we showed, if we can go back to that slide please, was to also give an understanding and be transparent about, what the drivers of the revenue are, at the end of the [inaudible], because if you look under the total, we're ahead. Everything is fine. No problem. |

And this is where everyone would want to be right? Move on revenue, slightly, we don't expenses, and we're in the best place we can be. The drivers here do indicate that there are some favorable variances as well as unfavorable variances. The one thing that we know is that, the registry 16 number that is currently under, will continue to be under, and to an increasing extent, by the end of the year.

So, this specific part of the revenue, will drive a short fall of that part. How this short fall will be offset, or more than offset, by the other favorable variances, on the other parts of the revenue, is something that we will monitor very closely throughout the year. But, as you can see, and this is part of the reason why our present the first slide, they're driven by registration numbers, difficult to predict, even though right now, the trend is relatively favorable.

It's slightly above budget, which is why we had favorable variables. If that trend continues, we should land thereabout the budget, in terms of revenue. If there would be a dip in that, then we, the shortfall, that we see on the [inaudible], may emerge more prominently and therefore make us be short. But at this stage we believe it is obtainable.

And because we are a bit under in expenses, which we want to continue to try to be, slightly under, then we're in a good place so far.

GIOVANNI: Thank you Xavier. And again, thanks for the presentation. I agree that it's really sort of transparent, [inaudible] all the ICANN community, all of the stakeholders, to have these kind of updates, and so thanks again. It has a lot of our work in providing further input in the future.

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If we can briefly touch on the next phase, which is fiscal year 16 budget, and so that we have a sort of premiere of how we can contribute to that.

XAVIER: I'm going to put [Rolof] on the spot. So we are at, right now, this is the calendar. It's very busy, but it gets clearer when you get closer.

And I'll do that. So there is a purple column here at the top, well sorry, vertical column that's purple at the top here. This is ICANN 52, I don't know why it's not showing up. That's what normally it says. So we are here. At this stage, we are, we have planned and organized, with [Rolof's] help as well as others in the community, we've planned for an interaction during Singapore with a number of interested community members.

We have organized a working group that meets on Monday, tomorrow, at 6:30 to 10:30, four hours, to go through the main assumptions that are underlined to the development of the budget. Looking at the assumptions in revenue.

If you remember, those of you who participated, when we looked at the budget last year, we had a certain set of assumptions that were driving the revenue, which let us have a substantive discussions on level of projections, volumes, and so on. So doing the same exercise but now up front, so that we can collect, you know, exchange with community members on what do they think, is it progressive, is it too small, is it too high.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

So revenue is one subject that will be touched on. The overall level of expenses for the organization, what trend are we looking at before the full development of the budget. We'll talk also that the initiative that we expect impacting the year FY 16. We'll also look at the next steps, so this calendar, a little bit more detail, what input, when, what interaction between the staff and the Board, and what iterative process of community input and community feedback, is embedded into the plan.

Obviously, this calendar has not changed since the last time we communicated, which was early December, end of November, last year. And the last subject that we will go over is the format of the information that we provide in the public comment, in the document that is submitted to public comment, on the basis of what we've provided in the past using the working group member's input on, can it be different, what would be useful to have more or less, differently put.

So that we can take that into account as much as technically possible, for the development of the budget process. So those four main subjects will be reviewed, revenue assumptions, expense envelopes, initiatives, and calendar plus format of the budget process.

This is tomorrow and Monday night. I'm going to put [Rolof] on the spot because he said he would participate, but then he can't anymore. So I was recruiting at the same time. I have a spot available, and the newly elected chair is most welcome.

UNKNOWN SPEAKER: I see that's part of his duties.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

GIOVANNI: And, by the way, there would be more than one person interested to participate, we would be very happy to add a boxed dinner, and there will be wine as well.

Yeah. We were expecting the…

So joke aside, if there would be anyone who would want to spend the time, it would be very welcome. This group, the input of you guys as CEO or general managers as your operations will be extremely useful, so that's why I wanted to put [Rolof] on the spot, because I was disappointed to see that you had declined.

No, no, I understand, I understand.

Yeah, no, I know. We're not making it easy on everyone, but [Rolof] is my witness that we discussed a lot with the few community members who participated to the calls that we had to design this working group, that it was not easy to find a time that worked for everyone, of course, outside of the ICANN meeting. When is it the Thursday morning? Or inside the… Is it the Thursday morning? The Monday afternoon?

So we came to the conclusion that the best compromise was after six, simply any day and do a strong session with everyone during that timeframe, if we can finish earlier, we'll try to finish earlier, but we didn't find any other workable solutions.

And certainly, we felt that trying to create another meeting somewhere else in a different time, was logistically impossible, and not, well.

GIOVANNI:	Thanks a lot Xavier. And there is an open invitation, I don't know if Carole would like to add anything. Please.
CAROLE:	I would. We're going to meet with the ccNSO, the whole group. Is there anything in particular that you would like us to mention, discuss, talk about from our perspective?
GIOVANNI:	Yes, it's on Tuesday afternoon, I think over in four.
CARLOE:	Great. Thank you.
GIOVANNI:	Thank you. Suzanne. Okay. Any other business?
UNKNOWN SPEAKER:	I have one other business. Giovanni, I think I have lost the email where you have announced where you were paying us all drinks for becoming chair?
GIOVANNI:	Did I miss that… Did I send that email first of all? It's not obvious, it's for granted. It's more than obvious. For sure, whatever you like. I would suggest that tomorrow before we both participate in the 6:30 meeting with Xavier.

ICANN | 52
Singapore
8-12 FEBRUARY 2015

We can have a drink before that meeting. Yeah?

UNKNOWN SPEAKER: Mr. Chairman, I seem to have missed the invitation for my farewell party?

GIOVANNI: Okay, we do a big party that will be all inclusive of every kind of celebration. Include the welcoming party for new members. So thanks everybody.   Thanks also to those who have participated remotely. Thank you Alexander.

ALEXANDER: Thank you.

GIOVANNI: You can join after, one of the next meetings in person, so…

ALEXANDER: Yeah, I hope to be in Buenos Aries.

GIOVANNI: Okay. Thanks a lot. Thanks everybody.

[END OF TRANSCRIPTION]

ICANN | 52
Singapore
8-12 FEBRUARY 2015