Chris Wilson: Okay, I think we’ll go ahead and start. Those can organize themselves. So welcome everybody. This is the business constituencies open meeting here at ICANN 57 meeting. So welcome those that are not members of the BC - welcome you to here and listen to us and obviously we’re happy to answer any questions that folks may have about the BC after the meeting, but thank you all.

I think, as tradition, we’ll usually - because this open meeting and because we’re actually face to face it would be good to quickly go around the room and everyone introduce themselves - name and company. So, especially for newcomers who don’t necessarily know everybody that would be great. So I’ll start, Chris Wilson. I’m with 21st Century Fox and I’m Chair of the Business Constituency. Jimson?
Jimson Olufuye: Yes, I’m Jimson Olufuye. The chair of the (Unintelligible) Alliance, which my company, Kontemporary Consulting, is a member and I’m the Vice Chair for (Unintelligible) operation business.

Man: (Unintelligible).

Chris Wilson: You’re (unintelligible) say who you are (unintelligible).

Andrew Mack: My name is Andrew Mack. I run AM Global Consulting based in Washington. I also lead the BC’s outreach and I’m head of the credentials committee for the BC.

Andrew Harris): Andrew Harris) of Amazon.

Jay Sudowski: Jay Sudowski with the i2Coalition.


Andy Abrams: Andy Abrams, also Google.

Susan Kawaguchi: Susan Kawaguchi, Facebook and GNSO Councilor.

Beth Allegretti: Beth Allegretti, Fox.

Marie Pattullo: Marie Pattullo with AIM, the European Brands Association.

Tim Smith: Tim Smith from the Canadian International Pharmacy Association.

Denise Michel: Denise Michel with Facebook.

Barbara Wanner: Barbara Wanne, with the US Council for International Business.

Man: (Unintelligible).
Lawrence Olawale-Roberts:  Lawrence Olawale-Roberts with Microboss.

Steve DelBianco:  Steve DelBianco with NetChoice and Vice Chair of Policy Coordination.

Chris Wilson:  Thanks guys. Any BC members on the wall that want to announce themselves? Anyone here? Okay, well welcome to those that aren’t and thank you for being here. As you can see, we have a full agenda and we will have a - we’ll turn to Steve soon for the policy calendar. After that though we will have the ICANN finance team come in here and provide us a little bit of an overview of the budget - an ICANN budget, etcetera and answer any questions folks may have about that. And then, of course, we’ll move on to our normal agenda with council update, etcetera. Oh, (Beth) - yes?

Beth Allegretti:  Just quickly I want to say you guys did a great job at the board meeting. Very clear, very direct - didn’t sugar coat it and I thought you guys did a good job.

Chris Wilson:  Thank you. On that note, Steve, why don’t we go ahead and turn to the policy calendar. Thank you.

Steve DelBianco:  Thanks Chris - this is Steve DelBianco. I think policy calendar discussion can go faster than what’s allocated on the agenda. I sent around yesterday an updated policy calendar. I know that Chantelle is going to display it in here. Is there anyone that needs to re-email the updated policy calendar from yesterday? Just raise your hand and let us know and we’ll do it during the meeting. Because there’s some attachments in there that are worth looking at.

The first thing I’ll mention is that the only thing we’ve filed since our last meeting was the - we had a comment on ICANN study of the Latin American and Caribbean DNS marketplace. And I want to thank Isabel Rutherfurd - who I don’t think is in the room with us right now - from Amazon who was a new member of the BC and dived right in to help. And also, Andrew Mack
who has got a ton of experience in clients in Latin America-Caribbean and together came up with an excellent comment that we put in. Let me turn to the current ICANN public comment page.

We have quite a few open opportunities. We’re up to seven open public comments right now. Fortunately, most of them are not due until late November and early December. So we have time. ICANN is no longer saddling us with deadlines that occur in the middle of a meeting or the day or two after a meeting ends. That’s a small victory.

The first one is a Middle East country strategy and I included a quote in here - I wanted you to understand this. This gets back to the comment that I made today on behalf of the BC to the board. This notion that a previous CEO decided that one of the things that ICANN needed to do is to promote the DNS industry - and that is registrars and registries and perhaps even hosting providers - but he felt like that was part of ICANN’s core mission. And that expanded into a number of things. I learned from (Akram) in the last 15 minutes that the key performance indicators, or KPIs, for the management team - what determines their bonuses - is a function of whether they can show metrics that the DNS industry has improved in its health.

This is why so much of what they did was to develop metrics that showed there are more registrars, there are more registries, there are more names under registrations - more better. More better and more broader than before and that those would be what drive them. So naturally if that’s what drives them, that’s the stuff they want to measure, which is why the marketplace health index is all about good health and not about bad health items, but I think we’re going to be able to move that needle.

I want to note that the comment that Andrew Mack and (Isabel Rutherfurd) just put in was on the same thing. It had been written up only two weeks ago to say that it was about promoting the DNS industry in Latin America and the Caribbean. Chris Wilson and I were on the phone with (unintelligible) about
three weeks ago and we pointed out that that was the sentence in there, is that really what ICANN is about?

Well they changed the sentence within a day of our conversation so that instead of that it was promoting DNS industry engagement in the region. And that's closer to being true to form. Because ICANN needs to serve registrants and users. That's who it serves. And it uses the DNS industry to serve them, but it is not about the DNS industry per se.

This comment is on Middle East country strategy, comments don’t close until the 17th of November, but their intent is to attract more participants from the region to contribute to ICANN's policy development process and to have leading rolls within the ICANN community and I can’t argue with that. That is a good goal. It doesn't say promote the DNS industry in the Middle East, it’s about getting engagement at ICANN and we are all for that.

So I am now all for finding volunteers for the Middle East who can help us to analyze their strategy and come up with a couple of pages of BC comments on it. So where do I start this list of volunteers? Folks who are incredibly experienced in the Middle East.

Man: (Un intelligible).

Chris Wilson: Do we have any new BC members from the Middle East that might be willing? All right, well - this is Chris. First of all, everybody please announce your name before you speak for transcription purposes. I forgot - I neglected to say that. I do know we have some members - BC members - they might not be present today or either in person or remotely from the Middle East and maybe we...

Man: (Un intelligible).
Chris Wilson: Is he here? Yes, right. So to the extent we can reach out to them directly that would be good, but also, you know, if others would like to help that would be good.

Steve DelBianco: I’d like to clarify, it’s called the Middle East and adjoining countries. Right, Christopher? Middle East and adjoining countries - the MEAC. And I’m quickly trying to figure out who that is. Right?

Lawrence Olawale-Roberts: Sorry - this is Lawrence.

Steve DelBianco: Go ahead, Lawrence.

Lawrence Olawale-Roberts: This is Lawrence for the record. I feel that my continent and country also suffers from the same issue. So I’d like to join in this, but not to take the lead role, but I’ll definitely contribute to this.

Steve DelBianco: Lawrence, thank you for that and we’ll be able to start you off with looking at the way Andrew and Isabel analyzed the Caribbean and then read the report and then I’ll work with you to backstop with previous comments that we’ve made, but there’s a new theme involved here. We are all about metrics and strategies that promote registrants and users and we are less about making sure that there’s more registrars there. And that may be part of it, but that’s not (unintelligible). Any other comments on this? Andrew Mack.

Andrew Mack: Steve, I’ll help Lawrence too since I attended the last one.

Steve DelBianco: Thank you. Second one on here is proposed changes to the Triple X registry agreement. And this was driven because the Triple X registry operator, ICM, wanted to change its extremely high ICANN fee that it pays, which I believe was set very high on the anticipation that ICANN would have a lot of legal issues with respect to Triple X.
I think that didn’t pan out and they’d like to cut their fees so that they could either realize higher margins or perhaps even cut their domain registration prices. That’s their business, not ours. But comments close November the 24th. This was a negotiation between who? ICANN and ICM and Denise Michel brought this up this morning that when registry contracts are being negotiated or re-negotiated it’s a bi-lateral negotiation between ICANN and the registry. When they do so, they typically don’t ask for public comments before they negotiate. They negotiate and throw it out for public comments without any willingness to sort of reopen negotiations.

We went through this with a few different contracts and it’s very unsatisfactory to the BC. So this is an opportunity to talk about things that desperately need to be reopened. Now they are reducing fees, of which we should probably not be concerned with, but Triple X says in there that they’ll adopt certain RPMs - right protections mechanisms - in certain public interest commitments. It’s an opportunity for us to assess whether they’re adopting the right ones and if they’re doing so in the right way. So I’ll take a volunteer or a comment or two on this, but remember, volunteers are more valuable than comments. (Unintelligible).

Phil Corwin: I’m going to make a semi-valuable, but not fully valuable comment because I’m so stretched on my current duties. But just to add to this, this is similar - and I’m not in any way advocating going down the same route we did last year with jobs, travel and (unintelligible) where we took it to a reconsideration.

The issue is staff creating - making policy decisions through contract negotiations. Last year they said they had done it because they thought Legacy TLDs - they decided, not the GNSO, had decided Legacy that TLD contracts should consistent with new TLD contracts, which intrudes frankly on the work of the - our working group I’m co-chairing now, which is tasked with recommending whether new TLD RPMs should become consensus policy, but you had the staff making that decision early on their own. I wouldn’t advocate that the BC do it again, but I think there’s a question to be raised.
One, there’s no transparency in this. Last year they said it happened because we thought it should be consistent. This year there’s no explanation for this. And two, you know, it was at - they said and the board agreed that it would be wrong if they imposed it, but it was completely voluntary. Well, it depends how you define voluntary, but you know, we all know Triple X is getting a phased 87% reduction in their pricing. They’ve already accepted URS at that point and that sits.

So it’s enough for them to accept it at Triple X in exchange for that monetary benefit. I think the real issue here is there any process - any sensitivity on the part of GDD staff that when something arises where - when something comes up in negotiations with a contracted party that has implications to create policy outside the PDP process where they have any sensitivity to it, any awareness that it might be inappropriate and at least that should trigger a consultation with the GNSO. You know, so I’m not - I don’t think we should, you know, push it the way we did last year all the way to reconsideration, but I think there’s a bigger issue here beyond the URS because this type of thing is going to arise in other issues in other places down the road. Thanks. And if somebody…

Steve DelBianco:  (Unintelligible) volunteering?

Phil Corwin: No, I don’t think I should be the lead on this because I’m heavily burdened and I’m going to be a comment letter for ICN, but I’d be happy to back up anyone who takes the lead role on this.

Steve DelBianco: That was Phil Corwin for the record. So, Beth, did you have your (unintelligible). Yes?

Beth Allegretti: Beth Allegretti - I had earlier volunteered to assist.

Andy Abrams: This is Andy Abrams. I can take the lead on this one.
Steve DelBianco: Denise?

Denise Michel: Denise Michel - I think it’s important to distinguish between the process used to negotiate a base agreement that applies to every registrar, which is the RIA or a base agreement that applies to every new GTLE registry. I think it’s very important to distinguish between that process and individual negotiations with a specific registry and I’m not - it’s not clear to me that it would be appropriate for the community to be involved in individual contract negotiations.

So I think it’s important to distinguish between those two things. And, second, it sounds like there’s a lot of questions around what staff is actually doing with the GTLD registries and contract renewals and these types of negotiations, what process they’re following, what their motivating factors are. It seems to me that it would be really useful to get the staff doing these negotiations in front of the BC and just have a conversation. I think we need more information about what they’re doing.

Steve DelBianco: Let’s move on to the next one. It’s public comment number 3 on your list for those of you following at home. It’s a phase 2 assessment report done by an outside consultant at the request of the consumer trust, consumer choice and competition AOC review. This is a review of the GTLD program where they look at where it has enhanced consumer trust competition and consumer choice and whether the application and evaluation process performed effectively.

This is one of the most important reviews. Johnathan Zuck is chairing it - a number of you may have been to one of their sessions this week as they put on a number of them. And the study came back with some pretty significant findings. That the new GTLD program seems to be driving prices down for both legacy and new, but only to a small degree and all of the growth in the GTLD registrations has been split pretty evenly between the (CC’s, legacy
GTLDs and new GTLDs. That’s where all the grow has come from. One-third of the growth from the last two years is in the new GTLDs. It’s pretty remarkable. And that brings the new GTLDs to the point where they’re now 9% of all GTLDs.

So this is a significant economic study about which we only need to comment on the statistics and findings that are relevant to BC interest. One does not have to cover every single finding in the study. And the BC had commented extensively on - with the metrics that were put together to comprise all of this. So the BC has a rich history - and I’ll be able to provide the history of all our comments on this item to the volunteers who decide to take a look at it. So this is perfect for somebody Whois interested in the new GTLD program, how well it’s performing. Either because your company is involved or your company is thinking about getting involved outside of the brand, you know, concept. So look for some volunteers on this. This comment is due the 10th of December - a lot of time. I’m sorry, 5th of December. Thank you.

Hibah Kamal-Greyson: This is Hibah Kamal-Greyson for the record. I previously volunteered to help with this an indefinitely still am will to do that.

Steve DelBianco: Thanks, Hibah. Sorry that I missed that earlier. Any others? Great, thanks Hibah. We’ll try to recruit some more and I’ll try to tee it up for you.

Number 4 is the operating plan and budget for PTI. They have a draft fiscal 18 operating plan and PTI now stands for public technical identifiers, but that’s a bit of a switch because it started out as post transition IANA. So I think it was a clever way of rebranding it without having to change the acronym. Well done. Comments close 10th of December and this is the very first budget for PTI, which really just took all of the employees and activities of the IANA functions and moved them into a subsidiary called PTI.

So the budget didn’t change very much from what they were spending on the IANA services before. It’s only roughly 10 million a year - it’s up 8% from last
year. Now the good news is that I'm not having to ask for volunteers because Jimson didn’t even wait to be asked. Jimson, Marilyn and Chris Chaplow on the finance committee dove in, did an analysis already and came up with a draft comment that I circulated yesterday. It’s the second attachment to the policy calendar. So. Jimson, I wanted to give you a chance to quickly just summarize the findings that you made on it and if there are questions for you we can take the now. Jimson?

Jimson Olufuye: Thank you very much, Steve. Jimson Olufuye here. Well at a board meeting we did talk about transparency and the need for more details. So we absolutely focused on that, even while we reviewed the budget for the PTI. So, quickly, (unintelligible) points we observed we talk about the - yes, we talk about the need for ease of readability and referencing for the reports so they can be easily followed. And then since the increase is not that serious - just about 8% - (unintelligible) we still asked for granular details. Like talking about the (unintelligible) award for a sustained full-time (unintelligible) personnel - the details of the award. The breakdown of the award. We talked about that. (Unintelligible) took about 2.4% increase in attributed IT system maintainers - so wanted to know would this be done locally or outsourced? So (unintelligible) clarity necessary.

Then because of the sensitivity of the work we believe there should be some form of (unintelligible) - a team - that’s right. We talked about compliance department. There should be a team that should look at the improvement on the system - or on the, possibly, and then we talk about (unintelligible) issue of ordering, which is more important? Because between the three services they are not (unintelligible) service. The numbering service and the main services - so what is a mix of - so we felt there could be some formal priorities. That’s part of the clarity and the details we mentioned.

And, lastly, we look at the workflow. Still on ease of readability. The word improvement is very key. They use that word, which is good, but it was (unintelligible) at the point so we tried to (unintelligible) back that it would be
necessary for this to be general. So we (unintelligible) there. So it's available for us to review and comment.

We have maybe a briefing today and then - because this has already been passed to them. So maybe at the briefing today they may clarify this and then once we get that input (unintelligible) talk about it when we meet on Tuesday - Tuesday night for the budget working group. And then whatever they produce afterwards we'll (unintelligible) that as well. Thank you.

Steve DelBianco: Thank you Jimson. Are there any questions from BC members on the draft that was circulated of Jimson's initial comments? All right, seeing none - thank you very much Jimson. I appreciate the work that you and the finance committee already did on that.

Moving quickly on number 5. Number 5 and 6 both have to do with (thick Whois), but they're really different aspects of (thick Whois). Number 5 is due the 12th of December. Again, quite a bit of time there, but it's about consistent labeling and display for (thick Whois). The BC has commented on this before. This is an implementation proposal on a policy that was already approved. So this is very light lift, especially for those of you who worked in the (thick Whois) labeling and display. Susan? Interested in taking a look at it?

Susan Kawaguchi: (Unintelligible).

Steve DelBianco: Five and six - and let me move to six really quickly. Six is a really fascinating one. It's about the registry - the remote versus (thick Whois) as well as implementation of thick Whois. So it's a combined comment that was done in March of 2016 for us. Barbara (unintelligible) you worked on it with Cheryl - remember that? And then Denise and Susan both of you pitched in. It was an outstanding paired together comment that you put in. What we get a chance to do now is to apply those conversations to (unintelligible) jobs and it ties in so tightly with what we do with our deck. Because a lot of the nation's policy
privacy laws are making it more and more difficult for somebody like (comm) to suddenly suck all of the data away from all 800 registrars and suck it all into the United States servers.

They’re assigned when we have cross-border controls on privacy that require the consent of the individuals. That is supposed to have teed up the ball for remote access (thick Whois). So that if you went to .com and typed in what is the Whois for a .com name, let (unintelligible) figure it out, but let them go get the data and display it so that you don’t really care whether it was thick and stored in Virginia or stored in Ireland and retrieved immediately. And, Susan, I remember four years ago when you first started on the expert working group you guys were keeping both remote access - federated access. Right?

Versus truly thick and went to truly thick, but this is a situation where the privacy atmospherics - particularly cross Atlantic have changed. So it may well be time to revisit that and I would like to dust off a lot of that creativity that we had at the federated access and see if we can make a comment on the implementation. So Susan just kindly volunteered for 5 and 6. Let me remind you, Susan is one of our counselors, which is already a full-time job. So we need some help. Can we get some volunteers to assist on 5 and 6?

Christopher Mondini, did you just raise your hand? Christopher is with ICANN staff. So he’s just...

Man: That’s ultimate stakeholder engagement right there, Chris.

Steve DelBianco: Thank you. Susan (unintelligible) time on that. I will promise you won’t be alone on this one. We will recruit.

Susan Kawaguchi: (Unintelligible).

Steve DelBianco: Okay. The last one, continuous data driven analysis of the root service system stability. Denise, you did this for us last time. Would you consider...
Denise Michel: Yes, I will do this - and can I just say, for the record, I really miss Angie.

Steve DelBianco: Thank you, Denise. I appreciate that. All right, we have - moving off that we have a special project, which was implemented several months ago where Denise helped to lead the way here where we asked ICANN, who was offering to give us a consultant. We asked them, okay, if you’re going to have a consultant look at something the BC wants to know is all our work really worth it? We knock ourselves out more than any other constituency at ICANN to do comments and we’re not actually sure they make a difference.

So ICANN brought in a consultant, Pam Covington, under the supervision of Dan O’Neill and they did most of the work, but Denise and I have been reviewing an early draft and it’s not fully baked yet. There are too many places where they took a look at a comment we thought over the last two years and said, yes, it was implemented and then Denise and I deep dive and it turns out, well, the BC basically concluded that this RSEP should be approved and so therefore they said that we got what we wanted, but we had all these caveats and concerns that we raised, which were not addressed. So we’re going to deep dive line that and when we get a draft we think is acceptable we’re going to shoot it out to all of you. Okay? Any questions on that? Denise (unintelligible). Great, thank you.

And then we’ve all been through this already twice - once in our closed meeting and again this morning where Denise went through the analysis of the RSEP - registry services evaluation process. But attached to this policy calendar is the slides that Denise prepared and briefly presented this morning. Denise, if there’s anything you’d like to add or are there questions on the RSEP? Great, we’ve been through it twice this week already, but thank you very much. I appreciate that.

We’re moving now to channel 2. Susan and Phil are our counselors. Go ahead, Jimson.
Jimson Olufuye: Jimson - sorry for taking us back. Is there any possibility we could - maybe one of our meetings we could just get the feedback from Pam Covington?

Steve DelBianco: No and it wouldn’t be helpful. She did the research, made the calls, punched it into a spreadsheet. She is now - she actually injured her arm. So she’s unable to continue to work and Dan O’Neill has taken over and is finishing it. And These are consultants who didn’t know anything about what the BC cares about. They actually aren’t inside ICANN so they only - the only way they could figure out did this BC comment get implemented was to call the staff and ask was it implemented.

And so the staff says, yes, it was implemented. Fully or partially? And they type that into a spreadsheet. So this just gives rise to the common adage that, you know, you need to hire somebody that knows what they’re doing and has some background. Outside consultants who swoop in are often not going to capture the kind of detail we wanted. So I’m a friend of Pam Covington, but I don’t think it would help at all. Denise, anything to add to that? You would agree? Okay. Thank you Jimson.

We’re now going to go to Phil and Susan for counselor. In the policy calendar there we have all of the links to the agenda and the transcript. You’ve heard quite a bit around one of the motions - the bylaws drafting team - and that’s a live item. But, Susan and Phil, do you want to walk us through this and - thank you.

Phil Corwin: Steven - Phil for the record. I just sent around Glen from GNSO staff sent around an updated agenda. I just sent it around on the BC (unintelligible) list. So let me read from that because there may be a few changes from what you posted. There’s a consent agenda after the initial, you know statements of interest and all of that on - for two motions. One, to adopt a GAC GNSO consultation group on GAC early engagement and GNSO policy development processes, final status report and recommendations. The other consent agenda motion - in a non-controversialist to approve Carlos Gutierrez as a
new GNSO liaison to the GAC. Then right after that next item is council vote on adoption of consensus recommendations from the GNSO bylaws drafting team. We know there’s…

Man: (Unintelligible).

Phil Corwin: Right. And then - so we’ll have that and we’ve discussed that at length in the CSG meeting this morning. Next, there’s a council vote on next steps for the GNSO as a chartering organization for the cross community working group on internet governance. That’s to take the - and the GNSO sponsor of that CCWG because it doesn’t meet the new criteria for CCWGs, which is in that as perpetual and doesn’t have an end date. It does not indicate a lack of GNSO or council support for involving internet governance and it may lead to reconstituting that group at some point. That group will still have support from other supporting organizations, but down the road it may become a - some other label other than CCWG to comply with the new - the revised bylaws. And then there will be a council vote on chartering of a new cross…

Chris Wilson: Phil, it may best if we go ahead and just dive in a little bit.

Phil Corwin: Okay.

Chris Wilson: (Unintelligible)?

Phil Corwin: No, no - I thought I’d just run through, but I’m happy to stop on any of these where you want discussion.

Chris Wilson: Yes, I just think in this case it may be good to get a sense of the BC position on item - well, item 5 on the screen.

Phil Corwin: Sure.
Chris Wilson: With regard to the motion to withdraw the GNSO as a charter organization for the CCWG on IG. We talked about this - this is Chris Wilson by the way for the record. We talked about this briefly in our private meeting, but not - really didn’t do it much justice. So I sort of open the floor a little bit for folks because we may not be able to inform Susan and Phil on this on how to properly vote. I think you can probably see there’s a - Steve had sort of noted that BC participation might be less impactful if the GNSO withdrew, but that’s - you know, up for discussion for folks. So maybe open the floor. Jimson, do you want to have some initial thoughts on this particular motion?

Jimson Olufuye: Yes, thank you Chris. This is Jimson Olufuye here. Well as many of us know the number was here. We are quite active in the IG space outside ICANN and at this moment there are still a lot of issues that we fully know outside ICANN. So we had this meeting, I think, two days ago on CCWG IG and this issue came up and I also raised a question to the (unintelligible) so that is clear now that it is a possibility (unintelligible) be restructured - being (unintelligible) through the bylaw. That is good and I think BC should play active role during - if not for anything but for us in developing countries. Business in developing countries we cannot imagine (unintelligible) something (unintelligible) government alone and they (unintelligible) we’ve been (unintelligible)e so far has been very useful and quite impactful. So we need to take it as relevant to what we do and be quite active in it. Thank you.

Steve DelBianco: Thanks Jimson. So I think the takeaway from you - your suggestion would be that we - Susan and Phil would vote against the motion to withdraw the GNSO - right, you want the GNSO - you want the charter - you want the GNSO charter - why don’t you clarify.

Jimson Olufuye: Yes, it could be restructured to be in tune - it’s not that it’s going to be cancelled or (unintelligible) cancelled completely from ICANN, but what I’ve got is it’s going to be restructured so they can be in sync with the bylaws. But this (unintelligible) is still there. (Unintelligible) still engage.
Steve DelBianco: So I guess the question is ultimately what - I mean I guess the motion on is whether not the GNSO should withdraw as a charter organization for the CCWGIG. That’s sort of where we are. That’s the question we have to ask ourselves I think.

Phil Corwin: Phil here - in the updated agenda distributed there’s more detail and the technical reason why this is being moved is because it was perpetual in nature this is not consistent with the rules setup by the recently adopted uniform framework of principles for cross community working groups. I’m a little hesitant to have the BC vote to continue, which would constitute violating compliance with that principles. Perhaps we should ask for a deferral on this vote to allow more time to discuss how this working group might be transitioned to be consistent.

And I heard one suggestion I think early this morning and it might be turned into a special committee - a permanent committee. Something like that where it could - I think everyone realizes the value and the necessity of ICANN being engaged in internet governance issues and being aware of what’s going on in the internet governance - the broader internment governance base and participating, but the way this is currently setup is now not consistent with the newly adopted uniform framework. So to vote no would be to say that we favor something being in violation of the framework. So maybe we can explore a deferral tomorrow. I don’t know what Susan thinks of this.

Steve DelBianco: Susan?

Susan Kawaguchi: So when we met with the CCNSO they were a little bit shocked that we were considering this motion and also I think somebody referenced ALAC. Yes, and so, you know, I think we would be - the GNSO would be standing alone in saying this so I’m not sure whether or not - and it seems like the contracted parties are definitely wanting to withdraw, but you know, if we asked for a deferral, you know, we can think about it a little bit more.
Steve DelBianco: I might ask the movers of the motion, if after all the conversation happened this week, is it possible that they would consider reframing the motion so that instead of just withdraw it’s about replacement of the charter? And we would ask them that and that would give you a chance to go on the record indicating that we acknowledge it’s not in conformance and yet we see value. And it reflects the conversations we heard all week long and I think because the maker of the motion is Stephanie - right?

So I don’t know how that’s going to go. It gives you an opportunity to preview how you feel about it. If there’s an indication that they might do that, well then you could ask deferral or suggest they withdraw and reintroduce it at the next meeting next month and reframe the motion. But you’re not suggesting an amendment. They don’t have an amendment - let’s not get into that. That would be an opportunity to tee that up. If the answer is no, hell no, we’re going to run this as it is and then we should continue the discussion about how you would vote.

Susan Kawaguchi: I’m not sure she’ll be open to that, but I can ask. Just because her last motion was withdrawn.

Woman: (Unintelligible).

Man: What do we do on this one?

Steve DelBianco: Yes, I guess the question is what - you know, where do we stand on this since you all meet tomorrow? So process wise what do you think the best course of action is? Ask for deferral? Acknowledging the fact that we - that there’s, you know, an opportunity perhaps to (unintelligible) more dialogue.

Man: I’d rather vote no than differ.

Phil Corwin: Well - Phil here. I think we made a good case for deferral. That, you know, we seem to be isolated - everyone recognizes the value in fact the necessity of
ICANN being engaged in internet governance issues. We don’t want to set the precedent of allowing something that can take you long-term that’s inconsistent, but if they won’t differ should we vote no or - which would put us in favor of allowing something to continue that’s inconsistent with the uniform framework or should we abstain and not support the motion?

Chris Wilson: This is Chris speaking. I mean I guess if you were to vote now perhaps you vote no on a - yes on substance, more on sort of the timing perhaps an issue where you’re not getting into the nitty gritty of - you know, Phil, you make a valid point about, you know, we don’t want to get on the wrong side of being in violation of provisions and so forth. And so to Steve’s point, obviously, it would be nice if we could tweak it so it’s a change in the charter to be conforming, but having only talked about this less than 24 hours before the meeting it might not - you know, that’s a tougher sell. But - so I throw that out there for others to think about as well. But, Steve, yes.

Steve DelBianco: (Unintelligible) just had a quick comment. A deferral, for those of you who are new to this thing - it moves it one meeting out and you can only differ a motion one time. You can’t do it again. It’s generally seen as a nuisance and you do so because you want more time to study the issue. Right? And that’s’ why I feel like it’s completely inappropriate to differ. We don’t need to study the issue. We would love to see a motion reframed to talk about changing the charter rather than killing our participation and if we make that point clear and the maker of the motion won’t do it, I would say we’re a no. But a different doesn’t make any sense here. We don’t need more time to analyze it. Lawrence?

Lawrence Olawale-Roberts: I’m in complete - this is Lawrence for the record. I’m in complete - I’m with you with what you just said. There is considerable - I consider this considerable interest that this be sustained amongst those of us on the underserved regions especially. We also have a lot to benefit from this. Why? Because we’re talking about engagement and outreach. I don’t see why we
would need to pull ourselves in, try to block this opportunity to interact with other sectors of, you know, the community.

So I would - but looking at what you just said, I feel that we still need to give some time to this, most especially since from the fall out of yesterday’s meeting I was also there. There is some part about, you know, how to say that we can conform with what we have going on in ICANN at the moment. This has some value. There’s some of us sitting at the table who don’t feel that a no is required for this.

Chris Wilson: Thank you Lawrence - this is Chris. My takeaway then is that the BC finds value in the GNSO remain a charter organization of this CCWIG. However, because, you know, we’re not - we don’t have time to offer an amendment to tweak the motion at this moment in time - in light of Steve’s comment that deferral really doesn’t get us much other than to December 1 or whatever the next meeting is. That we vote - presumably vote no based on - less on substance, more on a timing issue that we think - it’s just not the right - there’s more discussions necessary beyond the next GNSO council meeting. And that we hope we can get - come to an agreement and come to figure out a way where the GNSO can remain a chartering organization of the CCWG and make it conforming with all applicable provisions and bylaws. That's how I'm interpreting the positioning. Is that consistent - is that fair? Okay, Susan.

Susan Kawaguchi: So let's try tonight to see if there's some acceptance of, you know, reframing the motion. We'll get back to you and then move forward as you recommend if they won’t move. I think it’s worth a discussion - 5-minute discussion with Stephanie tonight.

Phil Corwin: Yes, we should definitely bring it up at the meeting at 7:00 tonight.

Susan Kawaguchi: Yes.

Phil Corwin: And see if there’s some flexibility.
Steve DelBianco: If we remove the charter from this it’s going to open a can of Marilyn Cade on here because this is - Marilyn loves this particular working group.

Phil Corwin: Well (unintelligible) your counselors will be voting no at least once tomorrow. So if we vote no another time we'll already be in practice. The next item, which I believe is non-controversial.

Man: (Unintelligible).

Man: It shouldn’t be (unintelligible) if they don’t already.

Phil Corwin: Yes, is the vote on the charter for the new cross community working group on the new GTLD. Auction proceeds - I think, as you’re all aware, there’s somewhere - there’s at least 105 million in last resort auction fees. There’s possibly as much as 240 million if the successful $135 million bid by (unintelligible) is permitted to stand for that web, but that’s tied up in potential litigation, objections (unintelligible) requests - all kinds of things because it turned out that (unintelligible) had an agreement - had financial backing from (unintelligible) an agreement that subject ICANN board approval would assign .web to Verisign, but there’s a lot of - there’s 100 million in this fund no matter what and this is the charter to setup the group that will decide on the principles for how the money should be distributed, but it’s not to decide Whois going to get it’s just to setup a process for deciding what the principles would be. And as far as I know it’s a non-convert.

There’s general satisfaction with the draft charter and it’s not controversial. So if anyone has concerns let’s hear them now, but I think this is one we would be voting for.

And then the next item - and I know nothing about the substance, perhaps other do - it’s at a vote - it’s council discussion of the ICANN board letter regarding policy implications of the final report of the internationalized
registration, IRD expert working group. This is a 15-minute item on the agenda tomorrow.

Woman: That’s just a discussion.

Phil Corwin: Just a discussion - no vote.

Woman: It’s for implementation (unintelligible).

Steve DelBianco: Yes, Susan, go ahead.

Susan Kawaguchi: Susan for the record. So if you’re in the (Whois) updates yesterday there was talk about a proposal - and I think staff drafted this proposal - to limit the scope of the (Whois) to review team - or they’re calling nit the RDS review team. And it was - this proposal was provided to all the chairs of the SOs and the ACs, but we just - the council just received the draft after I requested it yesterday. So what they’re - you know, the staff and, I guess, all those involved are concerned that we don’t want this review team to start making recommendations about the next generation RDS because there’s a community process going on.

That’s understandable, but the wording in this proposal, to me, limits it to solely what the first review team did and I think, you know, there’s been three or four now and a lot of Whois issues have arisen that may or may not be addressed in the RDS and the RDS is not going to be implemented any time soon and so we still have a duty as a community, I think, to do a full review of Whois, but you know, with maybe, you know, if it gets to the point of should there be an RDS they shouldn’t do that.

So, you now, one of the things was the cross validation has not been implemented and there’s quite a few little smaller issues that I think are very important and so I think we should push back - and I can send this around to the BC, but I think we should push back and broaden the language a little bit.
Chris Wilson: Steve?

Steve DelBianco: The language in here is where staff is suggesting and proposing and requesting. They cannot and did not attempt to constrain the scope. They can’t. Because under the bylaws we just adopted, it’s the review team once it’s composed that looks to the bylaws and the bylaws indicate subjects that you should review include, but are not limited to and then you have this scope. But the review team controls the scope, taking the bylaws as its guide and the review team could in fact, as you said, skip over certain items that are being covered elsewhere, emphasizing deep dive and under the new bylaws - remember this, the Whois review team has to also look at the implementation of previous who his review. That is now on your plate. It’s not on the ETRTs anymore. We moved that.

There’s a parallel process going on. The language in here requests - suggests and so on is language I just wrote for the ETRT-3. Because work stream 2 - six of the nine projects in work stream 2 are looking at accountability. So we’ve been working since May this year to request that ETRT-3 have a very limited scope since it’s completely overlapped the same people and the same subjects that are in work stream 2.

So let’s not take adverse reaction to the audacity of staff to suggest that the scope be limited. It’s not bad. It’s common sense suggestions that are not binding on the team in any way and I can say at least for ETRT it didn’t come from staff or ETRT. It came from all of us in CCWG on work stream 2, including the people who are in ATRT. I don’t know where this started. You two may know where it started, but let’s separate the process from substance and the intent. Thank you.

Chris Wilson: Denise?
Denise Michel: Thank you, Denise Michel). So they’re supposed to - both a substantive and a process issue here and I know we’ve talked a lot about process this week - or it seems like it, but on this one they’re - the SO and AC chairs have apparently been discussing with staff limiting the scope of an affirmation of commitment review that is detailed in the bylaws. And we’ve had this issue come up before where chairs of groups are seen as defector decision makers or voices for constituencies or in lieu of constituencies of councils or other groups.

I think it’s important to make the point that engaging with a chair of a group is not the same as engaging with the entire group. And this seems to keep happening with the board, the CEO and staff. I think it’s an important issue to make. And also my reading of this proposal does substitutive - does seem to try and substantively limit the Whois review and add additional criteria for the individual selected. And I think that’s quite problematic and not consistent with the review of the bylaws. It would be one thing to say, and we think they should avoid duplication of effort. It makes complete sense, but that’s not what the proposal says and I think it certainly deserves further discussion at the council level - both on substance and process.

Chris Wilson: It is scheduled for council tomorrow?

Phil Corwin: No, but it could be brought up under any other business. And just to wrap up the very last item, which is just a five-minute discussion on the agenda tomorrow, is the result of the GNSO new commerce survey and then there’s AOB. After that I don’t know if also if there will be any council discussion tomorrow.

There may be a new draft later today of a draft letter back to the board responding to the letter the board sent to council a couple weeks ago regarding this - forwarding the IGO small group proposal, which is this whole IGO, GNSO, GAC board complicated mess that’s developed. I don’t know if that will be discussed as the council meeting tomorrow, but there’s a draft
letter back that’s being massaged and put in final form. And that’s it for the council agenda. And then, of course, there’s a second council meeting, but that’s after we see the new members and I don’t believe there’s any significant substance in that one. But we’ll find out later.

Chris Wilson: Thanks Phil. Thanks Susan. And I just want to say Godspeed to you for tomorrow. That’s going to be - that’s all. You’re earning your keep so we say. Yes - no, I know. I know. Okay, Steve, do you want to wrap up the last few items and then we’ll turn to the finance staff?

Steve DelBianco: Thanks, Chris. In the policy calendar channel 3 is about the CSG items and you all have been a part of that the last couple of days. We covered a lot of CSG items. We’re done with that. And then, finally, under IANA transition under work stream 2 a number of you participated on Wednesday’s all day session. Denise, I know you were there, Chris Wilson was there as well because we’re pretty deeply engage in what’s happening in work stream 2.

A number of you are listed and participated and observed - and I made that update (unintelligible) that you asked me about - but the key is we probably need more people to hold the pen and move things along. I think that all of the work stream 2 projects are suffering from a lot of observers and not enough contributors. And Chris and I are (unintelligible) for two of the teams and can tell you that the (unintelligible) ends up doing all the work. I mean holding the pen is certainly influential and it’s a privilege and a burden all the same time, but you shouldn’t have to hold it all alone. We need some more help on work stream 2.

One of them is the S7AC accountability. It’s one that I’m a (unintelligible) for and attached to the policy calendar - it’s attachment number 3 - is a series of questions that we sent to all of the ACMSO leaders the other day. And why is that relevant to you? Well, because the BC has to answer the questions. The questions are extremely standardized. They have to do with how do you view the target community you represent? Do you interpret it the same way that
the charter does? Do you do outreach? What kind of activities do you do for outreach? How do you determine eligibility of people who want to become a member?

Well the answers to a lot of this is contained in our old and new charter and it asks for pointers where to find information and I’m hoping if Chantelle is listening that I can lean a little bit on Chantelle to help prepare and submit an answer. Because I’d like the BC to be among the first to come back with an answer. The expectation is a 30-day period, but we’ve been a leader at so many of these things and we have pretty good resources that we want to put this right back to ICANN. The dilemma is do we show them our current charter or the one we as members, just to prove - that’s pending approval? We may end up having to do both. Go ahead, Barbara.

Barbara Wanner: No, I think I had those questions on my laptop. DO you want me to try and upload them? Would that be helpful? Okay.

Steve DelBianco: Not necessary - thank you very much. We don’t have to load them. Any other - any volunteers want to help us to turn this around? This is more administrative than policy and substance. All right, hearing none, I’m going to work with Chantelle and hopefully get that turned around.

And the final time is that right after we finish our meeting today I’ll be representing the BC on a session called DNS content regulation. There will be 14 panelists on a NCUC sponsored high interest topic and you’re going to have to be high to stay interested with 14 people on the panel. It’s really ridiculous.

Man: (Unintelligible).

Chris Wilson: He’s going to be here all week.
Steve DelBianco: So in that I am going to be faithful to the BC’s position because the BC is quite articulate about the safeguards, which include taking care of copyright violations as well as everything else that’s abused. And I’ll discuss the fact that the BC and the last three set of comments ALAC safeguards in 2014 and 2016 we supported the new GTLD safeguards to mitigate abuse. (Unintelligible) by copyright. And in our July 2016 comments on the new RYA we started to create this nuance.

The BC supports the requirement, but we need additional text to inure accountability and transparency and we support this notion that you have to consider other applicable law and procedures so that if there’s a report of a copyright problem at a registrar with respect to a single page on a domain, you can’t take the entire domain down. There has to be due process. There has to be a consideration for whether there’s maybe intermediary immunity or intermediary liability is suspended because if you’re a US governed registrar or hosting site you have section 230. There’s also fair use consideration.

So the BC is firmly against DNS abuse. We are anxious to cover copyright violations - trademark violations and yet we understand that you can’t take all of eBay down if there’s a copyright problem on one book on one seller’s page at eBay. And that seems like a crazy example and yet we have to make sure - now how does a registrar figure out whether to take eBay.com out of the zone because it’s received a pretty well documented copyright problem?

There would also be a lively discussion of new private initiatives between - for instance the movie industry or the recording industry making a private arrangement with registrars and registries like all of the donuts TLDs or (unintelligible). And I under the PRR is considering. So we’ll have a lively discussion of that. On the other side of the tops there will be the NCUC who sponsored this session who don’t believe that you should even be allowed to do a private arrangement. Remember they advocate, for the most part - well, (unintelligible) when it comes to that.
So let’s see if we can find a way for the BC to be articulate, but I am constrained by the policies that we have approved in the past and that includes a consideration of not doing a brute force object of ignoring due process and realizing that registrars can’t take action to take their name out of a zone without appreciating the conflicting elements of policy and conflicting elements of law. And I’m happy to hear other input on that, but there are only a limited number of interventions that I’ll be able to make in that 14 minutes - 14 people over 90 minutes. Any other comments on that? Go ahead.

(Marie Formame): Thanks, (Marie Formame). Probably an obvious comment, Steve, but rather than saying copyright violations, can you say IP infringements? We’re not just talking about copyright here and you know that my day job is anti-counterfeiting.

Steve DelBianco: You bet. I promise.

(Marie Formame): Thanks.

Steve DelBianco: And then tomorrow morning at 9:00 I’ll be representing the BC on a panel on the GTLD marketplace health index. And fortunately we take great work done by Denise and Angie on BC’s comments on that index and, well, you heard us make the point in the board meeting just recently that our comments are not being acknowledged by staff because, well, they don’t have to. This entire initiative was driven top down by the key performance indicators and we’re looking to change that. I think we made some progress on it today. All right, that’s all I have, Chris.

Chris Wilson: Thank you, Steve. Thanks everybody. So now let’s turn to the next item on our agenda and that (unintelligible)to the ICANN science team. So, Xavier, hello. We are pleased to have Xavier Calvez speak to the finance report and finance issues regarding ICANN and answer any questions folks might have, but there’s a brief presentation he’ll provide. So we have some slides - I think
Chantelle is loading them right now - or Barbara. One of them is loading them right now. And look forward to - Xavier, first of all, thank you for coming. We really appreciate it. Welcome to India - welcome to us and look forward to hearing from you and then look forward to providing some feedback. So go ahead, thanks.

Xavier Calvez: Thank you very much. I hope you’re okay with me standing. I can’t speak and be seated at the same time. Thank you very much for the invitation. I appreciate very much the time. I know your time is precious. We’re going to keep it relatively short. I just want to acknowledge my team that’s already left because we have actually now another session starting so we’re splitting forces basically and we had a person from HR and a person from finance within my team to present a few slides. Can I have the next slide pleases?

Chris Wilson: Xavier, can you just introduce yourself real quick? Because I don’t - (unintelligible).

Xavier Calvez: (Unintelligible) I can.

Woman: Okay, my slides are switching here, but there’s a delay.

Xavier Calvez: Okay, I’ll start speaking about it. So we have what we call here in operations presentation. We have grouped several different topics from different functions within the organization to make presentations at ICANN 57 and we have a number of topics about planning and budgeting and financial reporting overview, risk management, which I’m in charge of as well and a number of KPI and dashboard updates as well as in HR resources, statistics, updates and a security operations update.

All of those topics are within the strategic objective of organizational excellence, which is the third strategic objectives and that’s why we grouped them together and make presentations to the various groups at ICANN 57 on those various topics. ICANN, obviously, focus on any topic that is most of
interest to you. We have less than 15 minutes. We'll focus a little bit more on the planning and budgeting, which is what we had discussed with Christopher would be the main topic of interest, but if there’s anything else in those topics that you would like to speak more about, I'm very happy to address as well. Next slide please. Next. Next.

So this is an overview of our planning process, which starts with a strategic plan elaboration, which as you all remember, has been developed with the community about two years ago. It is supported by a five-year operating plan that basically says this is how we will achieve the objectives of the organization and there’s been an executive public (unintelligible) process on this five-year operating plan.

And, of course, the five-year operating plan informs the annual operating plan and budgeting process. And is the basis for them further developing in detail the operating plan for one year for the next year coming and the budget. The budget being simply the quantification of the operating plan. So we're attacking now FY-18. FY-18 just to remind you is starting July 1, 2017 and finishing 30 June, 2018. And I'll go directly to the next slide.

So this is going to be our FY-18 calendar. It's relatively high level. It doesn’t detail all the steps and nor do you want to because it doesn’t fit on the slide. We have broken out this year for the first time and you’ll understand why. The PTI process versus the rest of ICANN process and it’s a conceptual distinction simply because, of course, it’s part of the same process, but you may know that the CWG as part of its proposal for the IANA strategic transition has recommended - and, of course, it’s been approved, that the PTI budget is being submitted at least nine months in advance of the fiscal year to which it refers. Nine months in advance of July 1, 2017 is September 30, 2016 - a month and a half ago.

So we jumped on the train and we started elaborating the PTI FY-18 budget during the month of August and we have submitted this budget on the 28th of
September, so we are right on time - or a little bit early - to the PTI board. The funny thing is that the PTI board had not even met yet, but nonetheless they had a budget to look at their first meeting, which is what happened on the 30th of September. So we had a public comment ongoing on the PTI budget. It was open on the 24th of October and it runs until the 10th of December and this is the similar process as the one we’ve been carrying out for the ICANN budget for years, but now just focused on PTI and, of course, PTI contains all the IANA services, activities and costs.

It’s about 9.5 million to 10 million out of the budget of ICANN. And in parallel, of course, we’re going to continue running the process for ICANN, which has its public comment period starting early March and running until the end of April in a completely similarly to how we’ve conducted it last year. Any questions on this? No? Next slide please.

So what is the FY-18 budget process contain? The operations - five-year operating plan update is basically the phasing of the activities that lead to the five year objectives year by year and every year since inception we update this plan. So FY-18 is year three of the five-year plan. 16 was first 17, 18, 19, 20 - so FY 18 is year three and what we do every year now is that we take the five-year plan, we update it for the past years and then update it in four to say this is what has now been accomplished and we adjust the timing or the scope of the activities to reflect what has effectively happened and then readjust the timing forward of the overall plan.

So that’s one update that happens every year now. Then the birth of the ICANN operations and PTI operating plan and budget - the annual one - includes funding, or revenue, the operating capital expenses section on risks and opportunities, head count, multi-year projects and also the new GTLD programs - specific section on that. And, of course, the entire operating plan, which consists of 350 projects or so - 65 portfolios, 13 objectives and - sorry, 13 goals and the 5 strategic objectives.
So we go from the five objectives down to 350 projects or so and we break out the entire budget as for each of those 350 projects and each project is broken up between the personnel costs, travel costs, professional services and administrative capital. And we have the head count associated with each of those projects as well. So you can know that there’s a one and a half personnel catered to this project.

So that’s what it contains. We are not expecting to make any changes to the structure or the granularity of the data versus last year. So those of you who have participated in the process will recognize this same information or this same structure of information. Next.

This is just a conceptual view of how we structure the data in the budget. The total ICANN is this entire set of information. We distinguish the ICANN operations, which basically simply everything else but the new GTLD program, which is self-funded, very specific, very distinct from the rest of the operations of ICANN. For each we have funding, which is revenue again, expenses, you can see that we isolate, of course, the PTI as part of our tracking and monitoring of the financial information and the operations are supported both by the operating fund and the reserve fund.

Similarly, new GTLD programs - the funding is, of course, the application fees that we’ve collected in 2012 during the application window and they are progressively recognized in revenue - I don’t want to make accountants out of you, but the application fees is cash collected. We’re recognized the revenue corresponding to this application fees (unintelligibly) over time at the same rate as we are incurring expenses to evaluate the applications. And those - the funds supporting that, of course, this is the unspent portion of the application fees that remain to be spent for the rest of the program and the auction proceeds that have been collected as you all know. 233 million net of costs. Any questions on that? No? Yes, Jimson.
Jimson Olufuye: Yes, I had (unintelligible) talk about changing the nomenclature (unintelligible) to funding. So like I'm checking out the meaning. So I still don't get it as (unintelligible) income. Funded is what you give out in order to appropriate something. Capturing is that all that we receive. Maybe another term could make that easier for people to understand. Maybe (unintelligible) in bracket - I don't know.

Xavier Calvez: So, of course, this is a matter over (unintelligible) so everyone sees a bit the words with their own understanding. We had been using revenue for the longest time. From a purely audited financial statements the description is support and revenue. Funding is actually a quite common word used by non-profit organizations to talk about their source of income - their donations, their contributions that they receive - it's their funding. The funding of the expenses. So this is actually the most commonly used word to describe what we call in corporate organizations, revenue or sales.

So - and that's why we changed two of the biggest distinctions between funding and revenue is that funding is a source of income to carry out a number of activities that are unrelated to the source of income. Revenue is sales of a service or product that you produce - that you manufacture or that you produce or that you offer.

So you have revenue and cost of sales. In a non-profit organization you have a source of revenue that may not have at all direct costs in front of it. It's simply the cost of the organization are the cost of carrying out the mission of the organization. So it's the lack of link between revenue and costs that this funding concept translates. It's just vocabulary at the end of the day. You should know that our revenue or funding sources have not changed at all with that change of vocabulary. Yes?

Lawrence Olawale-Roberts: This is Lawrence for the record. I just need some clarity on the expenses on the side of the new GTLD program.
Xavier Calvez: Yes?

Lawrence Olawale-Roberts: For instance, I know that there have been some studies conducted on the new GTLD safe for the normal ICANN operations. What are the constituents of the expenses and do - is it just meant to fund everything that has to do with the new GTLD program? Just to give us an idea of what that comprises.

Xavier Calvez: Thank you for that question. So, yes, the expenses that are under the new GTLD program. We’re very careful in segregating them and ring fencing them from the operation. So the expenses consist - have consisted noticeably in the past years of all the evaluation costs - the panels - the (unintelligible) panel, the financial panel - all the panels that have basically evaluated all the applications by type of - the 50 questions of the applicant guide books. This is - these expenses, if you look at the documents that we produce on a quarterly basis, we’re talking about 200 million here. That’s what the program, in terms of evaluation expenses, has cost to evaluate the 2000 applications across all those activities.

All the panels - and we have a list - the annual budget contains the detailed list of the categories of costs that make up this bucket. Now in terms of how they’re segregated, we have basically created a second set of books for this program. And there’s no - there is basically an entire set of different financial statements. We have different bank accounts, we have different procurement of the process, etcetera, etcetera. And you can see in our audited financial statements, which I’ll advertise right now have been published a week ago for FY-16. There is, in the notes of the other financial statements, a note 3, which breaks down the total financial statements of ICANN between those two segments.

So you will see balance sheet- well statement of position, PNL, cash flow, segregated between the two. So you can have a very clear view as to all the
financials associated with the program. Does that help answer your question? Okay, thank you. Anymore questions on this slide? Okay, next please.

So where are we now? We talked about the PTI operating plan and budget, it’s been published on the 24th until the 10th for public comment. Please have a look at it and the adoption by the PTI board of the PTI budget is planned for the edge of January. It will also be approved by the board of ICANN and it will then be integrated into the ICANN operating plan and budget as another element of the ICANN budget because, of course, as you know ICANN funds the expenses of PTI.

And, as I said, public comment period starting March, finishing end of April and we also have the additional budget request process that we conduct every year that will repeat again, of course, where you can make requests for funding on specific projects and that are being reviewed (unintelligible) processes. Next.

I think that’s the end actually of the budget section. And I - yes, that was the end of it. I have a couple other slides on the FY-16 financials if you’re interested with it. I don’t know if we have one more or two minutes of if there are questions instead.

Chris Wilson: If you want maybe one or two more minutes if you want to go ahead and do the (unintelligible) finish up.

Xavier Calvez: Okay, next slide please. I’ll stay on this one quickly. This one is just very high-level summary of our financials for the end of FY-16 that just closed. It closed three months ago, but that we published the audited financial statements earlier. Just to put some numbers in your mind, revenue - support and revenue. It’s the funding. That’s an old slide already. 126 million is the amount of funding for FY-16, which is in excess of the budget by 12 million. Largely driven by a lot more registrar - new accreditation. We budget for 60
per year, which is a very minimal amount of new accreditation. There were 700 applications for new registrars last year. That’s one thing.

Then the new GTLD have generated higher level of transactions than what we had budgeted for. We are relatively conservative in the projections of new GTLD transactions simply because the growth is difficult to project. Yes, Denise?

Denise Michel: Sorry to interrupt, but did you say 700 new registrar accreditations?

Xavier Calvez: Yes, absolutely. Last year - we had 500 more new this year.

Denise Michel: Would it be possible to get year over year say for the last five years on accreditation for registrars?

Xavier Calvez: You mean the new accreditations? The number of new accreditations?

Denise Michel: Mm-hm.

Xavier Calvez: I think it should be not very difficult to do, yes.

Denise Michel: Thank you.

Xavier Calvez: And needless to say that we’ve been relatively surprised by the volume, but it’s also unpredictable for us in - from a purely budgeting standpoint. So we budget very low and, of course, anything above 60 per year is driving excessive revenue.

Expenses were lower than budget by nearly 14 million - a large driver of that is the fact that we had projected a higher personnel costs with a higher head count than we turned out to have. A number of delayed hiring as well as the focus that we all have had on the IANA stewardship transition has led us to delay some of the hiring. There’s also a number of projects that have simply
taken longer to start than was planned. The IDN program, for example, is one that’s been advancing slower than we had budgeted for so that drove expenses down.

So this - between the two of that, this is 26 million of excess versus budget. But we also had 24 million of IANA stewardship transition expenses - sorry, 19 million of IANA stewardship transition expenses that are in here that were budgeted to at 7 million simply because we didn’t know the extent of the legal fees that would - the project would lead to incur. And that is offset partially the favorable variances versus budget. We were planning for deficit of 13 million for 16 and mainly basically the IANA stewardship transition expenses that are funded from our reserve fund and not from an annual revenue. And we ended up with a small excess of two million. Any questions on that? I'll stop here. Any questions on that topic? You guys are puzzled. Or tired.

Chris Wilson: I’m just going to go quick back to what Denise said. You had how many new registrars? And how many - do we have any geographical breakdown of those? Because I’m hearing that there aren’t very many in the global south. Does that mean there are hundreds of them newly in already served markets? How does that work?

Xavier Calvez: So there’s 700 applications last year and in process there’s about 500 new applications this year. What you need to understand is that, for example, the 500 applications of this year is two families of registrars. So this is drop catching basically. This is not the expansion of their registrar markets from a demographic standpoint. This is drop catching.

Chris Wilson: Okay.

Xavier Calvez: Any other questions? Sounds like we’re done.

Chris Wilson: I think - in fact, we’re probably running out of time because we have a few more things left. I just wanted to say thank you very much for being here. We
really appreciate it and I think we have all the slides - all your slide decks that you would have presented. So we can send those to the full BC private list so people can take a look at them and then I guess, of course, if we have further questions to send them your way.

Xavier Calvez: Absolutely. I was going to offer the same thing. You can have those slides and scan through them and if you have any questions we’ll be happy to answer them. Just wanted to conclude with one thing. I want to thank Jimson who has been a consistent participant in the overall planning process. Both in consistency and qualitative input. He’s been a pillar of the engagement with my team on the planning process for years and we’re very happy to have him. So thank you for that.

Jimson Olufuye: Yes, thank you. Let me also use the opportunity to thank Xavier for his excellent leadership when it comes to finance and the (unintelligible) get very useful. Thank you very much Xavier.

Xavier Calvez: (Unintelligible) 5:00 to 7:30, you know, you will all be in very good shape by that time. We have a budget workshop, like the ones we have been conducting now at every ICANN meeting. We’ll go over the detailed assumptions of the budget. We’ll be able to talk more about the PTI, but the revenue and funding assumptions for FY-18. So this is the group that helps us build the budget together. Again, that’s the one in which Jimson has been very active and we would love more participation. And there’s food and hopefully wine as well. Thank you.

Chris Wilson: Thank you very much. We’ve just got a few minutes left, but I think we can wrap up in the next 5 to 10 minutes.

Chris Wilson: So, Jimson, maybe I can go ahead and turn to you. It was a good segue and quickly go over any outstanding issues from the operations and finance side of things and then I can wrap with AOB. Jimson?
Jimson Olufuye: Yes, thank you - this is Jimson. Well a member - there are currently 57 members of the BC with two applications (unintelligible) about seven did not renew their membership. Some did not renew perhaps because they merged. You know? For example, Verizon and Yahoo - so Yahoo dropped off. And then we have an application pending with credential committee - I think one or two.

Man: Three.

Jimson Olufuye: Three pending in the (Credentials Committee) committee. Okay, then let's talk about the outreach. The last outreach was quite successful in the media. (Unintelligible) media. Perhaps we can do more of that in the continent. The continent is a huge (unintelligible) in a year. It would be good in terms of improving our engagement with the global community. So let's go to the last one again, thank you Andrew Mack the Chair of the Outreach Committee. Marilyn was there physically. (unintelligible) spoke - (unintelligible) was around. So it made a huge impact and somebody is supposed to be coming out Lawrence is all trained (unintelligible) and it will be published in the next newsletter. (Unintelligible) newsletter. Well I think on the agenda of the outreach committee, which Andrew Mack may talk more about, the engagement (unintelligible) Latin America is planned. (Unintelligible) have been quite interesting as well. A number of (unintelligible) engaging comments and thanks Chris Mondini for he planned - what he's done. So we continue to engage in that regard. So I think for now - do you want to comment?

Chris Wilson: I'm just going to mention a couple things real quick. I know that there's some BC members that are planning to attend IGF in Guadalajara and so we might want to coordinate a little bit on that. I don't know personally have that on my
agenda at this stage, but we can talk about if there's interest in having more BC participation.

The other thing is I've spoken with a number of new potential members from the South Asia region and three or four of them have mentioned an interest in potentially holding some sort of a BC outreach event at some point in time in the next year. That will also be dependent on whether or not they join the BC and what kind of activities they're interested in. But it's nice to know that there is a real footprint as a result of these meetings and for those of you who are in earshot and potentially considering becoming BC members from the region, by all means do follow up with us. We're interesting in having you and we're interesting in have more of a footprint in South Asia. Thank you.

Jimson Olufuye: Okay, and, finally on outreach - just to (unintelligible) around where we first had our meeting. Just opportunity to introduce to us - I came (unintelligible) there is a business leader in Nigeria and I had been invited based on our leadership program. So I've been quite active. (Unintelligible) again.

And, lastly, on the election as you are all aware, the (unintelligible) actively (unintelligible) and (unintelligible)E nomination period (unintelligible) so auditors are available on the list. So just for - to remind us, again. Thank you.

Chris Wilson: Beth?

Beth Allegretti: Beth Allegretti- Jimson how many members did you say are in the BC right now? I just didn’t hear that.

Jimson Olufuye: Yes, this is Jimson - 57. They're all on the website.

Beth Allegretti: Okay.

Jimson Olufuye: The BC website.
Man: Thank you very much. The question is have you been to the one (Unintelligible) ICANN? (Unintelligible) download or submit (unintelligible) for the newsletter?

Jimson Olufuye: Okay.

Man: And when I submitted the newsletter (unintelligible) two days (unintelligible). They told me that I need to be subscribed through online. (Unintelligible) already I submitted my online (unintelligible) website when I (unintelligible) last month - last year.

Jimson Olufuye: Okay. Yes, thank you. Specifically, newsletter is available online.

Man: Yes, I got this one.

Jimson Olufuye: You got it?

Man: But…

Jimson Olufuye: Okay, the ICANN - once you register you'll get it.

Man: Okay.

Jimson Olufuye: You'll get it - sure.

Man: (Unintelligible) offline after the meeting.

Man: Okay.

Jimson Olufuye: Yes, back to you, Chris.

Chris Wilson: Thank you Jimson. So just sort of AOB now - just real quick sort of procedurally (unintelligible). The next meeting will be on December 1 and it'll
give us a little more breathing room post India and so we’ll have a little chance to - by that time I also think I’ll be getting closer to some of those comment deadlines that Steve mentioned earlier. So give people - certainly those in the United States a chance to be with their families for Thanksgiving, etcetera. So we’ll do the next BC meeting will be teleconference on December 1, 2017.

Man: (Unintelligible).

Chris Wilson: Yes, (unintelligible) maybe I’m already hoping for 2017. Maybe I’m already ready to move on - 2016, yes. And then before I turn to Marie real quick, (unintelligible) public forum here at ICANN. We’ve already had - part 1 was yesterday, part 2 will be on Tuesday. I opened it - if there are members that think that either myself or Steve or someone to speak on behalf of the BC to make a BC comment at the public forum, certainly speak up now, but if not certainly speak up on the email list with the topic and sort of layout why, you know, what we should be saying and why we should be saying it.

We don’t have to say anything and, obviously, we’re in the room if somebody else says something that we think the BC should respond to then we can respond in real time, but I want to make sure people are aware of the public forum and if there is something that they want the BC to say proactively at the forum please let us know. So, Marie?

(Marie): Thanks, Chris. Two points - one segues exactly from what you just said. As you know, the incoming chair (unintelligible) is a BC - represents (unintelligible). Who, I understand, is going to be honored just after the public forum in the community recognition program awards. I’m not quite sure how they work, but I wanted to share that too so (unintelligible) sitting it back for the work they do on the (unintelligible).

Secondly, it goes slightly forward into 2017 so I’m taking your other segue. It goes to our meeting in Johannesburg. Now in my day job within AIM we are
very involved with (unintelligible) advisory committee on enforcement currently has a chair from South Africa.

Her name is Amanda. She is - and I’m reading this so I get it right - the Director of Companies and Intellectual Property Commission. She’s based in Johannesburg. I’ve known her for years. She’s a really, really lovely lady - very sharp - very good. Not GAC, but she is South African government. So my suggestion is that she’s thinking of coming to ICANN. She’s based in Victoria, not that far from Joburg if I can give her enough advance notice. Would you think as the BC it would be worth us having a conversation with her? Getting her into the room?

Chris Wilson: I think absolutely that would be wonderful. Yes.

Man: It’s a 45-minute drive.

Chris Wilson: Yes. You can’t be that. Yes, thank you. That’s a great suggestion. Thank you, Marie and we’ll work on that as we move on. Any other thoughts? Phil?

Phil Corwin: Just want to mention for any BC members who are interested since my council duties don’t keep me busy enough, I’m running tomorrow morning two sessions on two working groups of which I’m co-chair. One - the first of which, IGOCRP working group and we’re going to be unveiling draft recommendations for the first time and discussing them and then - that’s at 9:00 AM tomorrow and then at 11:00 AM the RPM review working group will have a working session and both of those are taking place in MR 103 up on this floor. So if you have any interest in either of those please come by. Thank you.

Chris Wilson: Thanks Phil. Anyone else? (Unintelligible) cause?

Andrew Mack: I will be representing the BC at the ICANN band this evening embarrassing myself on behalf of the private sector. So if you’d like to come it’s at block 22
at - I think it's going to be starting at 8:00. But it's a group of people that get together every ICANN meeting and play. It's a lot of fun. It's sponsored by (unintelligible), I believe. Thanks.

Chris Wilson: Excellent. Thank you, Andrew. Anything else for folks? Okay, if not, the meeting is adjourned. Thank you all. I look forward to talking to you all on December 1. Thanks.

END