
CLAUDIA RUIZ: Good morning, good afternoon, and good evening to everyone. Welcome to the Operations, Finance, and Budget Working Group call on Monday, the 21st of December, 2020, at 19:30 UTC. On the call today, we have Holly Raiche, Maureen Hilyard, Joanna Kulesza, Ricardo Holmquist, Maureen Hilyard, Wale Bakare, Vanda Scartezini, Alfredo Calderon. We have received apologies from Justine Chew and Olivier Crépin-Leblond. From staff, we have Heidi Ullrich, Silvia Vivanco, Victoria Yang, Becky Nash, and Shani Quidwai. And we have Judith Hellerstein joining the call as well.

Before we begin, I would like to remind everyone to please state their name before speaking for the transcription record and to please keep your microphones muted when not speaking to prevent any background noise. Thank you very much. And with this, I turn the call over to you, Holly.

HOLLY RAICHE: Thank you. Should we briefly go through, first of all, today's agenda? Does anybody have any problem with ...? Most of today—most of this call—will be the presentation by Becky and question and answer. This is particularly appropriate because the ABR, or additional budget requests, are due. I'll talk about that in a minute. But this is a perfect time that we should be hearing from Becky. So I'm happy with the agenda. I don't see anybody unhappy with the agenda. So let's accept that.

Could we have a brief look at the action items, please? Okay. The first couple of action items that are not listed as done really relate to the

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small group. And we will be hearing from Cheryl later so we can leave those. Maureen and I have had a discussion so that action item is done. About the invitation to non-members, we'd probably best wait for that discussion after we've heard from Cheryl. And with that, I don't think we have any further need for discussion on the action items.

So let's go over to Becky, if we could, please.

BECKY NASH:

Hello, everyone. Thank you very much, Holly. We really want to thank everyone for inviting us today, for a brief overview of the Draft FY 22 through 26 Operating Plan and Financial Plan and the One-Year Draft FY 22 Operating Plan and Budget. So our team today is going to just give a short overview of these plans, which are now currently posted for public comment.

So with that, I will go over the agenda, and move into the presentation, and then introduce our team members as they come up to speak. So we'll have a short introduction, a review of the Operating Plan, a review of the Financial Plan and Budget, and then next steps and a timeline.

So I will go ahead and give the introduction. And we'd like to highlight that the planning process has four key elements. The entire planning process starts with the strategic planning process. And currently, the Strategic Plan that was adopted by the ICANN Board is the FY21 through FY25 Strategic Plan. We then have a rolling Five-Year Operating Plan process, which supports the activities of ICANN and then highlights activities that are being planned for to support strategic objectives of the Strategic Plan.

And then, we have the budgeting process, which is the process of allocating the resources to the planned activities. And then, the final key element of the planning process overview is the progress reporting, where we have the measurement of status against the plans and achievements that are then reported out.

If we could go to the next slide. So just as an overview for the FY22 planning process, the public comment was launched on the 17th of December. And the close date is on the 15th of February. So that is a total of 59 days. And we attempted to extend it, as we'd like to when we post plans in mid-December, to account for the year-end potential holiday timeline and vacation time. So again, we have the public comment at 59—it should be 60—days.

And then, the following documents is what we have published. So we have a highlights document that is available as a separate document and also a link within the larger document. So the larger document is the Draft FY22 through 26 Operating Plan and Financial Plan and the One-Year FY22 Operating Plan. And then, we have separate the draft FY22 Budget document, with many of the financial supporting schedules.

We've added two documents as supporting documents this year to the public comment page, which is the ICANN Strategic Outlook 2020 Trends Report. So the Outlook Trends Report is being shared, as it is referenced in the Draft Five-Year Operating Plan. And then, we also have, published as a resource document, the Funding Forecast Assumptions Report for the period of 2022 to 2026.

The Operating Plan structure remains very similar to last year, which was the first year of the new Five-Year Operating Plan and Financial Plan. So the Operating Plan includes descriptions of the activities for ICANN Org that we'll be undertaken to achieve its Strategic Plan. The structure of the plan is to have functional activities or activities listed as 34, in five groups. And these groups just cluster different activities that, again, are being planned for. And the functional activities remain very much the same as last year. There's just been a couple of label changes to adjust to some of the new naming convention of certain activities.

And then, within the overall activities, we have the operating initiatives. We have 15 operating initiatives, which represent major areas of work that support the strategic objectives identified in the strategic plan. And these 15 remain the same as last year, which makes sense as part of our planning assumptions that we'll cover shortly, is that our Strategic Plan has not changed for the five years of the adopted Strategic Plan.

Next slide. We'd just like to highlight that there is a difference between the Five-Year Operating Plan versus the One-Year Operating Plan. So the Five-Year Operating Plan has content that's a higher level, over the five-year horizon. The resource planning is at a high level and identified a stable increase or decrease, with a projection of when the fiscal year changes are expected. And then, the progression and milestones are also a high-level roadmap for achievement of the Operating Plan.

When we look at the Fiscal Year 22 Operating Plan, this is the first year of the Five-Year period. And the content is more detailed, with focus on FY22. That's why it's described in more detail, in a separate section within the Operating Plan document that we'll look at shortly. So the

resources are planned at a detailed level, using budget templates as part of the Operating Plan template process as well. And then, the progression and milestones are roadmaps in FY22, with applicable targets and measurements throughout the planned year.

Next section. At this time, I'd like to ask my colleague, Victoria, to go through a short demo, just to let everybody see how to access the documents.

VICTORIA YANG:

Great. Thank you very much, Becky. Hi, everyone. I will briefly walk you through this document that's displayed here. So this is one of the three documents published. This is the Draft Operating and Financial Plan. So there is the table of contents. One of the improvements we have this year is that we added a letter from our Senior VP of Planning and CFO. This letter basically provides you some of the highlights and the focus of ICANN Org in Fiscal Year 22.

Very similar to last year's structure, the plan includes the Five-Year Operating Plan, followed by the Five-Year Financial, and then the One-Year Operating Plan, followed by the One-Year Budget. The Planning Assumptions for this planning cycle are here included under the introduction.

As Becky described, the content of the Five-Year Operating Plan and the One-Year Operating Plan are basically represented by the operating initiatives and the functional activities. And she also briefly described the difference between the Five-Year and One-Year. So in this

demonstration, I want to just use that as the backbone structure to walk you through one of the examples, to highlight to you the differences.

So I'm going to take our department, the planning functions as an example. So if I go to the Five-Year Operating Plan, the functional activities here, the planning function is under Org governance.

So here, all the 34 functional activities' content are structured exactly the same. Start with what's the purpose of the function. Why does this function exist? Does this function contribute to any operating initiatives? Again, the operating initiatives are the major work that helps the organization to achieve our Strategic Plan. So either the function meets or contributes to any of the operating initiatives. How does this function contribute to the overall Strategic Plan? We use the connections between the targeted outcomes under the strategic goals.

Activities for the Five-Year Plan. Again, you can see from the header, this is the Five-Year Operating Plan. The activities here are very high level—what this function aims to achieve in these coming five years. What are some of the recurring activities from year to year as well? How do you measure your performance, or your milestones, or your progress towards the activities that you mentioned here in the plan. So, as you can see, they are all very high-level, either at a fiscal year level or at a high milestone level.

And resources. As Becky mentioned, for the Five-Year, the resources are more at a status level. Do we expect resources to stay stable, or increase, or decrease? And why is that? So here provides some high-level justification—consideration of, basically, what are some of the

challenges, or risks, or even dependencies for your function to achieve what you mentioned here in the activities. So this is the Five-Year Plan. Again, same structure for all 34 functional activities.

And then, if I go back to the table of contents, and I go to the One-Year Operating Plan, the same structure. I go to planning. Of course, the purpose and how your function connects with Strategic Plan basically remain the same. The major difference are the activities, progress, and resources.

So for activities here, you will see that because this is the One-Year Plan here, you can see that the activities described here really focus on, in Fiscal Year 22, what's this team's focus? So here, we mention all the activities that that we plan to do for Fiscal Year 22. Progress are also more focused on the milestones and the achievements that we mentioned here to align with the activity. Resources, again, is at a budget level rather than at a status level.

I hope this example helped you to see the differences that Becky mentioned in the previous slide. I'm not going to go through another example. But I do want to point out that this same logic applies to the operating initiatives as well.

So the Planning Department, for instance, will lead one of the operating initiatives here, Planning at ICANN. And you can see that the activities and the scope mentioned here will be a much higher level, compared to the One-Year. Here, for the Five-Year, you will see that our achievement has more because it covers a five-year timeline, whereas if I go to the One-Year, you will see that this operating initiative ... Here is the One-

Year, Planning at ICANN. In Fiscal Year 22, you will see what the team is planning to do for this operating initiative, only for Fiscal Year 22.

So again, we understand this is a very comprehensive plan with an incredible amount of information. So we encourage individuals to look at the area that they are interested of. And therefore, all the titles and subtitles here are hyperlinked for easy navigation.

With that, I will welcome any questions regarding the navigation and the structure. And we can use that to answer any questions later. I will keep this tab open. Back to the presentation, now. I will pass it to the Finance Team. Thank you.

BECKY NASH:

Thank you, Victoria. Actually, there's a couple of sections now on highlights and assumptions of the Operating Plan that I'll go ahead and cover.

Next slide, please. We would like to highlight several key planning assumptions that are laid out in the plans, at the beginning of the Five-Year Operating Plan document. One key assumption is that the strategic objectives remain unchanged. And based on a recommendation from the new Strategic Planning Committee to the ICANN Board, there has been a recommendation, no changes to the strategic objectives. And that does make a lot of sense, given that we are in the first year, currently, of the new Five-Year Strategic Plan. However, an evaluation was done, as it relates specifically to the impact of the global pandemic. But nothing was found to impact the objectives of the Strategic Plan.

Next item is that the plans are affordable and that the budget is balanced. This is always a key assumption for ICANN Org, that the resources for the cost of the work planned do not exceed the funding available. And we will go into more detail about the scenarios for the funding projections.

Another key planning assumption is that recurring work continues, meaning that there is a lot of ICANN Org's work that recurs year over year, that's needed to support the operations of the organization and/or to support ICANN's mission and mandate.

There are also dependencies. And this is a rolling plan. So the Five-Year Operating Plan and Financial Plan is developed each fiscal year as a rolling plan. The One-Year Operating Plan and Budget then includes detailed implementation work, resulting from Board decisions of policy and community recommendations. And we have a slide on that coming up.

If we go to the next slide, key Operating Plan highlights is that face-to-face meetings and engagement have been included to resume at pre-pandemic levels in the FY22 through 26 plan. Although there is still uncertainty for planning purposes, this is a key assumption that has been included.

Community-recommended and Board-approved implementation work. We are highlighting throughout the plan that the Work Stream 2 implementation work is prioritized in the FY22 plans. Other Board-adopted recommendations will be subject to a prioritization process, which is underway as part of the planning cycle.

Operating initiatives and key projects. The plans do highlight progression towards the achievement of the operating initiatives. And that's included in the FY22 plan. And we look forward to feedback on the operating initiatives and other key projects through the public comment process.

In addition, there are cost savings and efficiencies that are assumed over the five-year period for these plans. There are several initiatives underway. There's ongoing process improvement that will result in efficiency throughout ICANN Org's activities.

Next slide. We'd just like to highlight, specifically, items that are not included in the plans. So ICANN begins designing the expected implementation work only as recommendations and policies move forward and reach the stage of Board consideration. After the Board adopts these recommendations and policies, the planning, scheduling, and delivery implementation work is designed. Thus, the below activities are not included in the FY22 Draft Plan.

And the first two is the SubPro and the operating initiatives for auction proceeds. Those, once the detailed plans are approved, or when they are, then they are also self-funded, meaning that they have funding sources from other areas. And we talked a little bit about that during the financial planning process.

Other items are any additional post-implementation activities as it relates to outcomes of Board decisions for GDPR or the EPDP 2 type work—so post implementation. And specifically, the RSSAC 37-38

recommendation, the detailed implementation plans are not yet at a Board approval stage of including them in detail in the plans.

Next slide. So I would like to pass this to our finance colleague, Alex Morshed, who will cover the Financial Plan for the five years and the One-Year Budget.

ALEX MORSHED:

Thank you, Becky. Hi, everyone. I will start by going over the Five-Year funding assumptions. And then, we'll move to the One-Year. So with the Five-Year, as Becky alluded to, the Finance Team, in collaboration with the Global Domains Strategy Team, creates funding scenarios. And so it's a high, a medium or base, and a low case. And the base case is deemed most likely to occur. This represents, essentially, modest growth or stability. And so, this is what our Five-Year Plan is based on, this base or medium scenario. And funding also includes contributions from Verisign to support enhancements of the security, stability, and resiliency of the DNS, which we've shortened to SSR throughout the document.

And on the expense side, personnel and headcount is assumed to be relatively stable, although this may change, depending on pending implementation work that has yet to be approved upon or decided upon. As Becky said, we're not including work from future Board decisions that has yet to be approved, such as implementation work regarding GDPR, EPDP Phase 2, and RSSAC 37-38. Similarly, expenses related to auction proceeds for the subsequent round of new gTLDs is

not included in these financials because those will be funded separately when we come to those.

All that said, the Five-Year Plan includes contingency for unplanned work that has yet to be approved or any unanticipated expenses that may come up in any of those years.

The reserve fund. We've reached one year of expenses in our reserve fund balance. We did that earlier in FY21. The Five-Year Plan will include allocations to ensure that we're at or above the minimum target level, which is 12 months' worth of operating expenses. And as Becky mentioned, the plan is affordable, in that we have a balanced budget, where our funding is the same as our expenses plus any planned contributions to the reserve fund.

Next slide. Thank you. So here are the financial projections for the Five-Year. I realize this is kind of an eye chart. But just wanted to point out that, as I said before, the funding is equal to expenses plus a reserve fund contribution. On the expense side, you can see that we're stable for many of these categories.

And then, on the reserve fund contribution, that 1.1 in FY22 is to get to the minimum level, since our operating expenses are increasing. But after that, we are choosing to allocate more, just for financial stability and security. Then, net operating expense, these dashes mean zero, in that the funding is equal to the expenses, plus the reserve fund contribution. And we can see our headcount is stable, at around 410 throughout the five-year period.

Next, we'll talk about the One-Year Budget. So again, the budget will be balanced. Then also, with that in mind, we know that the condition of the pandemic remains uncertain. We're still being impacted. But luckily, on the funding side, ICANN Org is not experiencing much of an impact there.

Like in the Five-Year Plan, there's certain activities that are not included in the One-Year Budget, such as the implementation work that I mentioned before. And also, auction proceeds and SubPro are not included in this budget because they will be funded separately. And as I mentioned, there is a contingency in the One-Year for any unplanned work or any unanticipated expenses that come up.

Next slide. Just getting into a little bit more specifics. We have an FY21 forecast, which I'll show you on the next slide. But we're expecting to grow in funding a little bit from that FY21 forecast. We have a Verisign contribution in FY22, a full year's worth of that, versus a half year in the 21 forecast.

For expenses, average headcount is 405, similar to where we are at currently. Travel, we're assuming that this will come back up to pre-pandemic levels—close to pre-pandemic levels—even though that may or may not be the case by the time FY22 rolls around. But we're assuming, essentially, unrestricted travel in order to be conservative. And we're assuming three face-to-face ICANN public meetings.

The reserve fund balance, like I said, we reached our minimum target in FY21. The FY22 budget includes an allocation to ensure that we're at that level. Since our projected expenses are expected to rise, we need

to make a contribution to make sure we're at that minimum level of expenses.

And next slide. So here, with the dark blue, we have the FY22 Draft Budget versus the orange, which is the 21 forecast. So the forecast is based on four months of actual data and eight months of estimates. The 22 Draft Budget, like I said, assumes unrestricted travel, whereas the 21 forecast assumes pandemic-related restrictions for the first nine months of the fiscal year—so only one ICANN meeting in June. The 22 Draft Budget is \$4.4 million higher in funding, driven by domain name transaction growth and also a full year of contributions for SSR initiatives versus a half year, reflected in the 21 forecast.

On the expense side, we're \$19.4 million higher. This is largely driven to the fact that travel is increasing, two face-to-face ICANN meetings being reflected in the draft—two additional face-to-face ICANN meetings being reflected in the FY22 Draft Budget. There is a bit more of a headcount, and inflation of personnel expenses, and also incremental operating initiatives, which we plan to do starting in FY22.

And that's it for me. I think I'll pass it back over to Becky.

BECKY NASH:

Thank you, Alex. I'm just going to cover the next steps for the planning process. So as we've indicated, the draft plans have been published for public comment, starting on the 17th of December.

And we have scheduled a community webinar on the 12th of January. We do encourage everyone to please register for the webinar. I know,

due to scheduling, we've had the opportunity to meet with you today. But it is always good, I think, to hear questions from the broader community. Board members attend. So we do request, as noted on this slide, the registration process. We hope those time zones are good for your membership.

If we just go back one more slide. We just would like to highlight that there's a couple of key remaining steps for the FY22 planning process. So ICANN Org's operating plans and budgets also include the IANA Budget process, which has separate, bylaw-mandated processes. So we recently just published the Staff Report for both the PTI and IANA Budget on our public comment page.

And then, the next key step for that planning process is that the draft plans will be presented to the Board Finance Committee for recommendation to the ICANN Board, which we then would expect to be somewhere late January. That also starts the empowered community process for the IANA Budget, which is a key step in the planning process.

Then, the next key step, as it relates to the overall total ICANN plans is that on our public comment page, we do have a call for clarifying questions. We do request that clarifying questions be sent to us in writing and that we're able to publish those to the community. And that is mid-January and responses are due back late January.

Then, we will have a review of the public comments submitted. So again, with the public comment period ending on the 15th of February, we appreciate everyone's efforts in the community to submit these comments. And we then will report back on the Staff Report and have

opportunities for engagement at the ICANN 70 meeting. Then, from there, we move towards recommendation by the BFC to the Board for adoption in the May timeframe. And then, with the empowered community period running from May through June.

I will pause at this time and open it up for questions. And again, we appreciate having this opportunity today.

HOLLY RAICHE: Thank you very much. That was very informative from all of your presenters. We do have one questions from Dave. And then, I have a couple of questions. And I don't see any other hands. But Dave—

JUDITH HELLERSTEIN: I have my hand up.

HOLLY RAICHE: Fine. Thank you. After Dave. Any other hands, aside from ... No? That's good—after Judith as well. So Dave and Judith. Dave's question, "How do cost savings initiatives compare in the FY22 Year Plan to the Five-Year Plan?"

ALEX MORSHED: Thank you, Dave and Holly. I'll take that. So yeah. This is a good slide to be on. The cost savings initiatives we can see are in the FY22 projections, this \$2.2 million. And then, we can see, as we progress through the Five-Year Plan, we do assume cost savings initiatives

throughout. Becky mentioned a few areas where we might achieve these savings. But essentially, we're just planning on finding efficiencies that are not quite certain at this point in time.

HOLLY RAICHE: Thank you. Judith?

JUDITH HELLERSTEIN: Hi. Becky, and Vicki, and Alex, thanks so much for the great presentation. I have a couple of questions. We could start on here, on this slide, this thing about the reserve fund. So the 1.1 was the end of the original five-year allocation and then we're starting a second reserve fund allocation. Is that correct?

ALEX MORSHED: I'm not exactly sure that I followed your question. But the 1.1 is essentially what we need to get back to 12 months' worth of operating expenses in the reserve fund. So that's what that 1.1 in FY22 means. Then, after that, due to the interest gains in the reserve fund throughout the year, we actually will be ... At the end of FY23, we will be at 12 months' worth of operating expenses in the reserve fund. So any future contributions in FY23 and beyond will be above that 12-year minimum. But we just want to make those contributions. You see the 1.5 and then then next year—

JUDITH HELLERSTEIN: Right. Yeah.

ALEX MORSHED: To just be above that minimum level, just to have that financial stability and backing.

JUDITH HELLERSTEIN: Thanks so much. Yeah. So my other question is I think I see that ... Is Cancun not listed as being cancelled because no official decision has been made but unofficially, we are talking about cancelling it? Is that why it's always been—not in this one. In the Budget Plan, it says “not applicable.” But we're assuming that it's going to be cancelled, right?

ALEX MORSHED: Yeah. That's a good question. We actually did assume, for the forecast, that it would be cancelled, even though the official decision hadn't been made. The one ICANN meeting at the end of '21 is the one that we're assuming in the forecast. I think that's—

JUDITH HELLERSTEIN: Yeah. I wasn't sure because the end ... I don't think in this but there was another document where it says “not applicable.” It wasn't on this one. It may have been on a longer one. But everyone's thinking it is.

But I also have a question. It's not on this slide but in another slide, you talk about ... In the report, you talk about the expenses that were incurred, not in Cancun but in the other one. I think it was 0.4 or 0.5. It says are also cancellation fees and other things. But I was also interested in the pandemic response fund that you just did in the last

quarter. And if we could talk about any—what you learned from it. Is there any successes? How successful was it?

I think so, Becky. I think I'm referring to the Budget document. I looked at it earlier on the screen but I'm on my iPad now so I don't have it on-hand. But I'm curious about the pandemic response fund, and how successful that you've seen it, and how much that has contributed to the cost of the travel for that period.

HOLLY RAICHE: Could I intervene here and say could we have a short answer to that? That sounds like a very long question.

JUDITH HELLERSTEIN: Okay. Sorry.

HOLLY RAICHE: Becky?

ALEX MORSHED: I don't know about that pandemic response fund. If anyone else on Planning or Finance Team has knowledge of that, could they answer?

HOLLY RAICHE: We're happy to take that on notice.

JUDITH HELLERSTEIN: Right. Yeah. We are.

ALEX MORSHED: Sure.

JUDITH HELLERSTEIN: I don't need an answer right away.

ALEX MORSHED: I will say I think, Judith ... I know that schedule that you're talking about. And there was one meeting that we had to make a couple of cancellation payments or good-faith payments because of the late ... That was the first Cancun meeting that was a late cancellation, right at the start of the pandemic. So for that, that's why the expenses for that virtual meeting were higher than the future virtual meetings. But in general, those smaller amounts—0.4 or whatever they are—are the costs of the virtual meetings, which are obviously much less than a face-to-face meeting.

JUDITH HELLERSTEIN: Thanks. And lastly, quickly—

HOLLY RAICHE: Wait a minute. Thank you. We've got Marita Moll. I'm just wondering---

JUDITH HELLERSTEIN: Can I ask you one quick question more?

HOLLY RAICHE: Very quick.

JUDITH HELLERSTEIN: You mentioned that there were two incremental ICANN travel plans. What is that?

ALEX MORSHED: Because the FY21 forecast assumes just that one June meeting at the end of this fiscal year, whereas the FY22 Draft Budget assumes all three ICANN face-to-face meetings. So that means there are two incremental ICANN face-to-face meetings in the 22 Draft versus the 21 forecast.

JUDITH HELLERSTEIN: Oh. Okay. I thought you meant two additional meetings besides the three meetings.

ALEX MORSHED: Oh. No, no. Yeah. Two additional, compared to the 21 forecast.

JUDITH HELLERSTEIN: Yeah. I thought that would be correct.

HOLLY RAICHE: Becky, if there are any further questions from Judith or anyone, is it all right if we ask you directly by email?

BECKY NASH: Absolutely!

HOLLY RAICHE: Thank you.

BECKY NASH: We may not have included it here. But we do have a planning@icann email address that we can accept all questions at. Or any of us. Me directly is fine, through Heidi, if that makes sense.

HOLLY RAICHE: That does. Heidi, could you send out not only a reminder for the community participation thing but also that email so that if there are any further questions, they can be asked? Now, Marita Moll, go ahead please. You've got your hand up, Marita. I think you're on mute.

MARITA MOLL: Sorry. Am I on now?

HOLLY RAICHE: Yes. Thank you.

MARITA MOLL: Thank you. Sorry. It's not a question as much as a comment. I think that any projections, with respect to going back to face-to-face meetings, are

usually hypothetical at this point. But if and when we ever do get back to face-to-face meetings, it's beginning to look at though the cost of those meetings might be hugely much more expensive than they were before. Maybe they would cost double what they were before. So I'm wondering, are you thinking about that in your projections or when you're thinking about what it will cost when we get back to face-to-face? Thank you.

SHANI QUIDWAI:

Hi. I'll take that one. So our projections rely on our historical spend rates for meetings, along with contracted amounts that we have with the venues and hotels that we are working with. So for the most part, there is no additional expense factored into these meetings. But we do have contingency within our budget that does allow for unplanned expenses. So to the extent that meetings end up costing more than what we had originally thought, the organization does have funds available. But at this point, we don't have any information leading us to believe that the meetings will cost more than what they historically have.

MARITA MOLL:

Okay. I'm thinking mostly of air fares. But I hope you're right. Thanks for the response.

HOLLY RAICHE:

Thank you. And Becky, I had ... Maybe just a couple of minutes. I was looking at the operating initiatives. And of the 15, there seem to be a

couple that were particularly relevant to ALAC, particularly since our ABRs are due very early in January. And presumably, the ABRs should be related to operating initiatives.

There were the two initiatives that relate to—I think it's number three and four—the multistakeholder model and community decision making processes. If you've just got a couple of thoughts about those so that when ABRs are submitted, they can relate to those operating initiatives, that would be very helpful. Thank you.

BECKY NASH:

Thank you very much for your question. So the operating initiatives that you have mentioned, again, are included in the plan as key activities to achieve the ICANN Strategic Plan. And “evolve and strengthen the multistakeholder model” operating initiative, as you may recall, there was a paper that was published at the end of the last ICANN meeting. And that particular project, now, is underway in its Phase 2. But it's really in the pre-implementation planning aspect of it. So as it relates to ABR, those items are included in the budget, initially as placeholders, until the final process takes place. And definitely, it is a part of the overall community-related activities.

So the number four that's listed here, “evolve and strengthen the ICANN community decision making process,” again, that is an area where work plans and activities that are outlined in the plan are planned activities to achieve this strategic operating initiative that supports the Strategic Plan. But the ABR is also a type of community

engagement, so that the community can do its work, as it relates to providing feedback and advice on these operating initiatives.

And I know either Alex or Shani may want to just cover the actual ABRs, meaning that they get detailed out as part of the overall budget for community-related items—like those particular principles that relate to those.

HOLLY RAICHE:

Could that be done in a minute or so? Because we do want to hear from Cheryl on the prioritization of the small group. So if there's one minute that would help us, that would be very helpful. Thank you.

SHANI QUIDWAI:

Hi. I'll take that. Just to quickly go through this. I think Becky touched on a lot of the key principles around the additional budget request process. And we did have a call last week. And Mary Wong from the Policy Team led another call. I think Heidi and Maureen both have a good idea of the program and the principles and can probably help answer some of those questions at another time. Or we can talk more offline. But hopefully, that helps.

HOLLY RAICHE:

It does. Thank you very much. Now, are there any further questions or comments before we go to Cheryl? Alan, go ahead please.

ALAN GREENBERG: I don't have a question for Becky. But there was an item 4c of next steps for the ALAC. Are we going to get to that?

HOLLY RAICHE: I want to make sure we get Cheryl in. And then we're going to get to next steps. Yes, please.

ALAN GREENBERG: All right. But I do have a crucial one. So please. Thank you.

HOLLY RAICHE: Actually, why don't you go ahead now, then, please.

ALAN GREENBERG: All right. It's a very quick one. In the At-Large Review, we forecasted one FTE ongoing to support the activities that we're looking at for ALS and Individual Member mobilization. And it came to my attention at the last meeting, an hour ago, that that funding was not set as permanent and has run out. Therefore, we must address that in our comments on the Fiscal Year 22 budget. Thank you.

HOLLY RAICHE: Thank you. And could you email that to Heidi so that when—

ALAN GREENBERG: Heidi's well aware of it.

HOLLY RAICHE: Good. All right. Because the next steps will be how we're going to actually provide our own comments as well. Thank you. Are there any other comments or questions? Thank you. Cheryl, could we have—

CHERYL LANGDON-ORR: You've got Maureen's hand up.

HOLLY RAICHE: Maureen, go ahead.

MAUREEN HILYARD: Yeah. Sorry. I was going to jump in. But I just wanted, first of all, to thank Becky, and Shani, and Vicki, and Alex for their presentation. And it certainly helped, I think, the people who are here and the working group in general to get that backgrounding because our next steps are going to involved the comments that we will put to the Finance Team, with regards to the Budget and any operational initiatives that we want to comment on as well.

So you can look forward to that as our next steps, including issues such the one that Alan has actually just mentioned. But did want to say thank you. And you will hear from us shortly. Thank you.

HOLLY RAICHE: Thank you, Maureen. Are there any further comments? Excellent. Cheryl, now it's your item on the agenda. Thank you.

CHERYL LANGDON-ORR: Thank you, Holly.

HOLLY RAICHE: I'm sorry. I should have thanked personally Becky and the team. It was an excellent presentation. And any questions, there is the planning@icann.org. Or any questions, they can go directly to Becky in the chat. Cheryl, sorry to interrupt and go ahead please.

CHERYL LANGDON-ORR: Thank you, Holly. I mentioned it in chat, if you can't see me for whatever reason. Very, very briefly just to bring the working group, Operations, Finance, and Budget for ALAC and At-Large, up-to-speed on what the small team has been doing regarding the prioritization exercise in general but specifically our first block of work, which is for the Work Stream 2 implementation of the recommendations. Boy, that was hard to say. We have had a couple of meetings. And we have, I think, got ourselves through a couple of little technical issues with the comments on the spreadsheet aspect.

But we've got ourselves into a position where, at the very beginning—and I'll come back to why at the very beginning—of the 2021 calendar year, we'll be about to give the OFBWG a set of scores, for the want of a better word, that should empower whomever is representing us in any cross-AC/SO discussion on this topic—a strong basis for where we believe the benefit would be in prioritizing certain items over and above others, from a particular perspective, and that is the perspective of

what would it mean to At-Large membership and, more particularly, what would it mean for the internet end user, which of course is why At-Large is interested in these sorts of things.

From that end, you can expect to see a ranking, usually a three-part ranking. That three-part ranking will be showing a high, medium, or low or first, second, and third priority in a couple of criteria. One will be, overall, the priority that we believe it should merit. Secondly, to what degree or other is there an urgency for that to happen? And whether or not, of course, there is any interdependencies would be noted with that as well. Some things have to go before others can happen, in other words. And finally, the third thing will be in what sort of degree of complexity, including the resource usage, do we believe that such an implementation of a recommendation would require.

We've noted, with pleasure, that a number of things, of course, have been completed and are implemented and being implemented. So they can come off the list. So, the really scary, long list becomes less scary. And it also becomes less scary because we believe there is a subordination—in other words, a lower ranking—of certain things because there is a super-ordinance—in other words, a higher ranking—of things that are meant to be taking care of the same issue.

So for example, there are several things in Work Stream 2 that we believe if we bundle those under the recommendation one, for example, out of ATRT3, that the implementation of the ATRT3 recommendation will sweep along with it those aspects from a Work Stream 2 recommendation. So that's what you can expect to see when we reconvene to report back to you.

Why am I talking about it now, at the beginning of the 2021 calendar and not the end of the 2020 calendar year? It's because the GAC, and indeed the GNSO, have delayed or been delayed in their work on this and it's not on anyone's calendar until later on in the first calendar quarter of the 2021 year. So we'd prefer to do a better job and give you more time to look at it. That's it from me, Holly. Thank you.

HOLLY RAICHE:

Thank you, Cheryl. Are there any questions or comments that people have? I'm seeing no hands. Thank you very much, Cheryl.

The final item for today's meeting is next steps. Now, Alan, we've already noted your next step. Maureen, have we decided on next steps? I think the first thing is a penholder. We can discuss that. We've already got some links. But I suspect we're going to have to have at least one meeting of this group. The comments close on the 15th but we should actually be meeting in early January, at the very latest, to work through the Budget and the Strategic Plan. So I'll leave that as an action item on Maureen and I to come up with.

First of all, if people think that they want to be a penholder, I would be very appreciative of that and any other suggestions. And Maureen, do you have a thought about the next meeting? It can't wait that long because we have to organize ... Sorry about the sound. We have to organize a small team to develop a response to the Budget. I know that's—

MAUREEN HILYARD: Thank you, Holly. Yes. Save that for the next meeting, which we will have at the very beginning of January, as soon as we can. We'll be looking at ... There'll be the final opportunity for us to really have a go at the ABRs. There'll be work that we can actually do at looking at what we will comment on with regards to the Budget and the Operating Plan. And there will be some feedback from the small group with regard to it. So there's actually three key areas that we need to be looking at.

But with regards to pen-holding, we did have a tentative offer of pen-holding of the Budget, which has been a critical area for us. And it's been ably done by Ricardo Holmquist. And we're hoping that he'll put up his hand again for that. And anyone else who can support him in that area as well. But yeah.

So there is a plan. And I'm sure that Heidi has written it all down for us and that we'll be ready for the first meeting of the year. Thank you.

HOLLY RAICHE: Thank you. I note the suggestion be the second week in January. Do you think that will be sufficient time, Maureen, and Ricardo, and anybody else? Because it is a big document, having looked at it.

JUDITH HELLERSTEIN: I think maybe the third week. It is a very large document.

HOLLY RAICHE: I know. But if it's a large document, then the third week means we don't have a lot of time to get our head around it.

JUDITH HELLERSTEIN: Yeah. So maybe we could have it later in the second week instead of the beginning.

HOLLY RAICHE: I think that's a much better idea. Okay? Heidi and Maureen, and we will convene. Probably, a Doodle is best for the second week in January. And in the meantime, for those of you who are in lockdown, you can always do some delightful reading of our 350-page budget. Is there any other business? Okay. Then, thank you. Thank you, everyone. I hope you have a happy holiday season, as well as it can be, and that you all stay safe. And we will talk in the new year. Thank you, everybody, for the excellent meeting. Thank you.

JUDITH HELLERSTEIN: Thanks so much. Bye.

HEIDI ULLRICH: Happy holidays, everyone.

UNIDENTIFIED FEMALE: [inaudible], everyone.

HOLLY RAICHE: Thank you.

JUDITH HELLERSTEIN: Yeah. Best wishes.

VANDA SCARTEZINI: Bye. Happy holidays.

[END OF TRANSCRIPTION]