

ICANN

**Moderator: Brenda Brewer
July 20, 2016
2:00 pm CT**

Coordinator: The recordings have started.

Chuck Gomes: Thank you very much. So, this is Chuck Gomes and this is a special Design Team O meeting on 20 July 2016. Thanks for each of you for joining. Is there anybody that's just on audio and not in Adobe? If so...

((Crosstalk))

Chuck Gomes: Go ahead.

Elise Gerich: Elise Gerich is only on audio, Chuck.

Chuck Gomes: Okay.

Xavier Calvez: And we have also Kirsten Wattson who's on - in the room where Becky and Yuko and Taryn and I are.

Chuck Gomes: Okay.

Xavier Calvez: And Kirsten is part of the - financial planning and analysis team led by Taryn who works on the budget, which is why she's participating to this call with us.

Chuck Gomes: Okay. Thanks. And welcome to all of you in the room there. So...

Xavier Calvez: Thank you.

Chuck Gomes: So thanks, Xavier, and your team for sending out the document yesterday. And with the two slides that are in Adobe right now; that is great. Did anybody not have an opportunity to review the documents? Would you let us know? Everybody's had a chance to look at it. So it may not be necessary to go through it in too much detail.

But, Xavier, if you want to just do a quick overview. Based on the fact that I think everybody's seen it, we may want to focus more of our attention on any questions that people have rather than going through it item by item. But go ahead and share what you'd like to on the discussion points and the diagram.

Xavier Calvez: Thank you very much, Chuck. And hello, everyone. So I think Cheryl, Olivier and Mary on the phone in addition to you, Chuck. So quickly, the - we've been working quite, I think, transparently and openly together on this call so we're doing the same with this. This is, I think, something in the design yet but I think we've already had our first (transition) a while back so this is trying to go a bit further and a bit more specific as to what the process could be for the PTI budget.

I think we all - we also - and I wanted to preface that - we, this team, will need to validate internally that what we're designing with all of us together can be done. But obviously we're working with that in the back of our minds. But I

think it's completely fine, of course, that we all look at this to see how it works. And with the same objective of making it work well for all of us.

So I - first slide I simply repeated at least a part of the CWG proposal relative to this process. You've read it. You have it in mind now. This is what we used to make sure we design something that is - that makes sense, and we'll discuss that further.

The second point I wanted to maybe explain a bit more why we laid this out is because I wanted that it's clear to all of us the sequence of definition of aggregate. So what I mean by that is, and I'll run through this second bullet point that the PTI expenses basically result from what do we - what is IANA needing to put in place in terms of resources to do the job? So that drives the PTI expenses, which will be all the expenses of the IANA functions operations.

The amount of expenses then drive the PTI funding, which is presumably simply equivalent amount to the expenses, which is the revenue of PTI. The revenue of PTI is the funding that comes from ICANN. So it's an expense for ICANN. And the - that expense of ICANN, among all the other expenses of ICANN, is then compared to the revenue of ICANN.

So what I wanted to make sure we're clear on is that in theory, all these elements need to fit together. What we are talking about in this process is that we're going to have a difference in timing as to the definition of those elements. So they're matching together is challenged by the fact that they're going to be defined, and sometimes finalized, within different timings.

And I think that's the main element that we're going to need to tackle and ensure that we're clear on, that we think it can work and that it doesn't create

issues from either communication standpoint, a governance standpoint or a community engagement standpoint. So it's a bit conceptual but I wanted to make sure we keep that mind because it will affect what we're going to look at.

So I've tried to lay out a few questions after that on this slide. What do we define the adoption of the PTI budget to be? Who adopts? When? And what does adoption mean? Does that mean review then good to go? Does that mean an effective Board approval? We have various components of adoption that we can look at and that we can maybe play with in quotes. So I think this is also something we'll look at on the next slide.

Another element that was - that we haven't tried to define precisely at this stage is also the community engagement on the PTI budget. What should it be? So it's a bit of a brainstorming. I don't remember how much conversation there's already been on that. I think it's very clear to you what the question is. And maybe there's already a number of thoughts on what it should look like.

I just wanted to say that Yuko is going to help us take notes in Adobe and keep also action items for us to remember. So we're going to do that for the - this meeting. Any questions or thoughts or comments on this first slide before we go directly to the next slide? And I see Olivier having his hand up.

Olivier Crépin-LeBlond: Thank you very much, Xavier. Olivier Crépin-LeBlond speaking for the transcript. And just for clarification, and I - quite obvious that the second bullet point has a single chevron pointing right, that, I believe, would be an arrow, wouldn't it? Then which is a flow - this is a timeline so start with PTI expenses, go to the PTI funding, which goes to ICANN expenses, which goes to ICANN funding. Not that PTI expenses are larger than, etcetera, etcetera.

Xavier Calvez: No, sorry. Thank you. Yes, it is an arrow. It's not necessarily reflecting timeline, though it may translate into a sequential timeline as well. It simply is trying to say that the PTI expenses define what the PTI funding is because the funding equals the expenses until you have defined the expenses you don't know what the PTI funding is. Until you've defined the PTI funding you cannot know what the ICANN expenses are because one feeds into or informs the other if you see what I'm saying. So that's what the chevrons are trying to depict. Thank you for that clarification.

Is that clear then, Olivier?

Olivier Crépin-LeBlond: Yes, thank you. Thank you, Xavier.

Xavier Calvez: Okay, thank you. Any other questions on these questions on this slide at this stage? I don't see any so let's just go directly to the next slide on which we're going to spend the rest of the time probably.

Olivier Crépin-LeBlond: Xavier, it's Olivier speaking. If I can jump in again?

Xavier Calvez: Yes, yes, yes, please. Yes, yes, please.

Olivier Crépin-LeBlond: Are you, at this point in time, asking for our consent then on the third bullet point and - or consent or a decision on the third bullet point? Or a recommendation on the third bullet point and fourth bullet points or are these just for information at the moment and they're not meant...

Xavier Calvez: Yes.

Olivier Crépin-LeBlond: ...make a formal recommendation on this?

Xavier Calvez: Well I think that - so the third bullet point, we're going to tackle the topic and try to find the best answer when looking at the calendar that's on the next slide. So I just wanted to spell out the question, but the next slide is attempting to give an answer. And we will, I think at the end of this call we'll see whether we have a consensus, whether we've identified issues that - through this discussion that we may not have had before.

And relative to the last - but hopefully we'll be able to have at least a presumed process that works by the end of this call. The last bullet point is additional in the sense that if we can also define what the community engagement should look like, it may not affect the calendar the way we have laid it out on the second slide.

But at some point in the future we're going to need to be able to explain to everyone what the community engagement includes. And we need to start planning for it quite soon anyway so this is a question that will be fairly quickly coming. And the earlier we have an idea the more we can get prepared for it.

So I think that the input on that last point can come either through comments during this call or later by email exchange as we need it. Make sense? Okay. Thank you. I see Cheryl commenting in the chat.

So let's go to the next slide then. So I need to do it?

((Crosstalk))

Xavier Calvez: If you want to.

Chuck Gomes: Yes, I think we all have - or we did have scrolling capability. You now have it, I think, or somebody does.

Xavier Calvez: So you've put us on the - yes, okay sorry. Thank you. So let me try to walk us through that. So of course the red dashed vertical bar is trying to indicate to everyone what is the nine months before the beginning of the fiscal year which is an element of the CWG proposal so that we keep that in mind and we see how the process that is then represented by the stars in the boxes is trying to address the overall requirement.

I think that I would want to immediately focus on the - I'll leave the kick-off alone. I'll focus on the fourth line from the top, which has the second blue star. And which is basically the step called Submit Draft PTI Operating Plan and Budget to ICANN BFC and PTI Board.

So we've been struggling a bit to - with the consequences of that second bullet point on the previous slide which is how do we ensure that the PTI expense, being validated at the PTI level, it can also be sufficiently validated at the ICANN level so that something that's decided at the PTI level is not later treating a problem at the ICANN level because of this alignment between the PTI expenses, PTI funding, ICANN expenses, ICANN funding link.

So when I was making that statement earlier, that very step that I just mentioned is trying to address the fact that if the PTI Board approves a set of expenses, that for a reason or the other, cannot be funded by ICANN, let's say for lack of availability of resources, then it's no use that PTI approves that set of expenses if we know already it creates a problem.

So having said that, PTI needs to be able to say this is what we think we need. And so we are - we have therefore, suggested that not only the draft PTI

operating plan and budget it's draft form, is reviewed and validated, and we'll talk about validation by the PTI Board, but is also reviewed at the same time and in parallel by the BFC, the ICANN BFC, so that there is immediate and parallel visibility by the ICANN Board of what that PTI budget is.

Let me stop there and see if there's any questions or reactions to that step. We need to talk a little bit more about it of course, but I wanted to immediately let anyone react to that topic and that question.

Chuck Gomes: So this is Chuck. I'll kick it off. That makes sense to me. I didn't have any problems with that at all, and let's see what Olivier has to say. Olivier.

Xavier Calvez: Okay.

Olivier Crépin-LeBlond: Thank you very much, Chuck. Olivier Crépin-LeBlond speaking. And I haven't got any - well I do have one question actually, which is so where that second star arrives, where we have that vertical line, it says "Submit draft PTI budget to ICANN BFC and PTI Board," is there any moment at which the PTI Board and the ICANN BFC talk to each other or are these two parallel processes that are entirely independent?

Xavier Calvez: Don't know, Olivier. We haven't yet designed the logistics of that. But I think the we may want to consider a common review. And the way we've been working with the BFC currently, so far in the past, is that for example, when we submit the draft operating plan and budget for public comment like we've done early March last year, we have a BFC meeting, so a formal meeting of the BFC that's called. It's usually virtual because usually the BFC is not meeting face to face.

And we have a call, we submitted materials a few days in advance, and everyone participates to the call. We explain what we want to achieve, and we have a formal BFC meeting with the recording and minutes. And at the end of that meeting we have the decision that's requested from the BFC to, for example in this case, in the example that I've taken, approved that we submit to public comment.

It's not a formal Board approval. It is a committee operational decision, which is yes we're fine, what you've presented to us, staff, makes sense to us. Go ahead and publish it. So that's a processing and operational step. I could see a similar type of step happening where we could have the PTI Board members participating maybe to the same meeting than the BFC.

Just speculating out loud on your question - participating through the same meeting, be invited with the BFC and being able to discuss with the BFC does that make sense? Why is it the way it looks like that draft budget? And do we think it's viable or are there questions? Basically having that discussion together maybe that's possible. Again I'm speculating because we haven't yet designed it. Let me stop there and see if it makes sense to you.

Olivier Crépin-LeBlond: Yes, thank you very much, Xavier. It's Olivier Crépin-LeBlond speaking for the transcript. And I think it would make sense to have that coordination between the PTI Board and the BFC prior to the community engagement so that there's a clear understanding from both BFC and PTI Board of what the - of how they're seeing the budget itself.

Don't know if I'm clear on this but if the PTI Board has certain view and the BFC have another view, and yet then the community engagement comes up when the response to community feedback has to be undertaken. I guess it would be just too much to also reconcile any view of the BFC and view of the

PTI Board. So I'd really recommend early engagement between the two. It would make sense. Thank you.

Xavier Calvez: Okay. Thank you. That's a good question and it's an important topic for us to tackle as part of this process for the next stage. Any other questions or comments on that? So while we're on this step we've had discussions with the team and - on an element that's important that contributes exactly to that same question of ensuring that what is submitted by PTI does not create a problem on the backend from a resourcing standpoint.

And one question that we've not necessarily laid out in the slides but that we've discussed is, what should that PTI budget contain? And let's say, we've looked at scenarios, let's say, for example, that PTI said, you know, the (KSK) facilities we're going to want to rebuild them or we're going to want to move them. This is very large expense, let's say, multimillion expense, for example. And PTI says this is what needs to happen.

That makes finally the total envelope of expense, relative to PTI, that ICANN has to fund, very different than what the annual costs or the annual operating cost of PTI would normally be on the basis of recurring as-is baseline type of operations.

So we have discussed the idea that the draft operating plan and budget that would be submitted at this phase, basically, by that second blue star, Line 4, would be providing two different components of the operating plan and budget. The first component would be what we have called by lack of more elaborate word, the baseline budget, the ongoing operation budget of PTI, it's the people, it's the usual costs, with the - I would say an as-is or a simply no scope change, no large project but the view for the next year of the ongoing operations of IANA.

It would involve logically some normal standard type of maybe improvements, maybe some changes to some operating processes, but not necessarily something radical, something earth shattering and something highly costly.

And then the second component would be then a list of possible, not required, but nonetheless possible more significant changes, maybe projects, maybe large or larger or more resource-consuming topics that would then drive either a resource requirement that's different or a change from previous year of the operations.

So basically it'll be two buckets. And the point of that is to provide a bit of predictability and visibility for ICANN from a resourcing standpoint to be able to have an early view of we know the IANA operations are about, let's say, the \$9 million that we have in the FY'17 budget and we know that that continuation of operation would be not very far from the \$9 million, maybe it would be, let's say, \$9.5 million for that upcoming year that would be drafted.

But then there's a list of projects that would be, let's say, \$2 million that come up and that are also considered by the IANA functions but then that change fairly significantly the amount of funding that ICANN needs to look at. And that needs more consideration, more drilling on what those projects are. And maybe also more input.

And it would also require ICANN, if those projects would be considered as required, to shift around the funding that ICANN looks at across all of its operations, including the PTI IANA functions. So we were thinking that this is something that would be a good way to budgetize basically the noncontroversial, easy, type of decision versus the more challenging projects

requiring more information. I'll stop here. I see Chuck and then Cheryl have questions or comments.

Chuck Gomes: And...

Xavier Calvez: Chuck, go ahead.

Chuck Gomes: So this is Chuck. And I'm with you so far. It all seems fine. But I'm thinking that something that's not shown on here probably happening even before Q1 is interaction with the CSC and in cases of new ideas or something that may need the technical expertise of the RZERC, there could have even been like towards the end of fiscal year '16, just using this diagram, would have been - there's been some interaction between the PTI team and the - not necessarily the Board but Elise and her staff and the CSC in terms of performance measurements, regular things that go on. Some of those things may uncover things that need to be funded more or less, etcetera.

And then in the case of special architectural changes or upgrades or something it might involve the RZERC. And I'd like to think that that kind of communication was happening at the end of not necessarily right at the end but at the end of the previous fiscal year, which would then facilitate doing what you're talking about. In other words, you don't just involve the CSC and the RZERC if it's applicable, in the case of the RZERC, after that redline.

That hopefully happened before the cross-functional planning workshops or at least some of it, didn't have to be done. But hopefully that - the groundwork was laid for some of those things before you get to that cross functional planning workshop. Does that make sense?

Xavier Calvez: It makes complete sense. I'll give a quick answer and then I'll let Elise jump in as much as she would like. The notion - the principle of that step, that you're pointing out, Chuck, with involvement and input from the CSC, the RZERC and some it makes complete sense to me. I have assumed that this input would occur and would occur possibly, I feel on an ongoing basis as per the processes of regular input that the CSC will have because unless I'm mistaken the CSC is going to meet on a quarterly basis.

So I would assume that the process of input of the customers through the CSC would inform the draft that would be submitted in the timeframe that we're looking at. And that input would be coming on an ongoing basis. And it could also be made a little bit more formalized as a preliminary step by Elise's team and whoever else needs to be involved, to seek input on the outset of the planning process to say we're going to start planning, we're going to start drafting, we want to make sure we have a comprehensive input from everyone. And here is the list and what do you think?

So I think that step would make complete sense. I'll let Elise react to it if she wants to. Elise, do you want to jump in if you can?

Elise Gerich: Yes, I think - can you hear me?

Chuck Gomes: Yes.

Xavier Calvez: Very well.

Elise Gerich: Great, thanks. So I just wanted to say that, yes, Xavier, you're correct, it's on an ongoing basis. And to Chuck's question, there's some things that pop up in the middle of a fiscal year which need requirements either from an SSAC

recommendation, an RSAC recommendation, or some other recommendation to the Board such as from the ccNSO for the framework of interpretation.

Where we have to prepare an analysis of the work and whether it's feasible and how urgent it is. And sometimes those things are surprises within a budget year and have to be done sooner rather than later. And so I think Xavier's just mentioned that whereas we'll have these cross community conversations, we also have ongoing conversations with the technical communities for the names as well as for the root server operators and the other communities.

And sometimes we don't know when we're planning a budget a year out things, you know, it is a projection. Some things we know like the (KSK) rollover is a two-year project so we'll be planning for that for the next fiscal year as well as the final further fiscal year.

So it's not one of - one of any one type. There's early consultations, then there's the cross community to kind of validate ideas. And then there's sometimes midyear course corrections. I hope that kind of responds to what you were saying.

Chuck Gomes: Sounds good to me.

Xavier Calvez: Yes, no I think that makes sense. And certainly we haven't necessarily tried to put that input gathering or knowledge gathering. But I think presumably whenever you draft an operating plan and budget, you try to make sure you have the most comprehensive visibility as to what needs to be in that plan and what needs to maybe change from the previous year in that plan. So the step that you described, Chuck, makes complete sense to me. I think - but I would argue then it becomes an operational activity of the PTI staff to carry on as

part of their monitoring of expectations and services with the customers, which is organized through the CSC and the RZERC.

Chuck Gomes: Yes, and this is Chuck again. And we might want to - you might - when this is presented more fully it probably be a good idea to say some of the things that both you, Xavier, and Elise said as a preface to this understanding that there's that ongoing work that's been going on, interaction with the CSC and as needed, RZERC involvement, things like that. So I don't think it has to be in this chart but I think it would be good to call the people's attention that it's understood that that kind of interaction and activity would be going on just like you both described.

And I'll put my hand down. Cheryl, did we steal your thunder?

Cheryl Langdon-Orr: To some extent yes, mainly the point I was going to add to yours, Chuck, was then what Elise came up with and that was reassuring that we were also accounting for those things that will come up within a budget year. And of course those that will extend beyond just the next fiscal year planning. There are a number of things that can be planned for, in some cases taking many more than just one fiscal year and sometimes it's the implementation of those with the costs associated that will run over several years that you know you can perhaps know that you're going to plan for it two years out.

So, you know, you'd be saying in 2018 we will be incurring the first of these expenses and there's that predictability advantage for that. So that's my green tick to everything you were saying. And I think your point on bringing it up to our keen public as a presumption when this is being presented is important, Chuck. Thanks.

Xavier Calvez: Thank you. I think that makes sense. We'll make a note of that premise and that assumption of interaction and input ahead of the elaboration of the operating plan and budget. And this is a comment that - or a note that is even more so useful this year simply because we're looking at a year where we will not have had already the experience of that input through the CSC and the RZERC because they are not yet operating. So this year is a bit of a - that's another comment that I wanted to make for all of us.

And I think it will be helpful to communicate that across all the other groups as well is that obviously this year is the first year, so to me it's a bit of a transition, it's a bit of a blank testing pilot, whichever word you want to use, year to run through the - a process that may evolve on the outset based on what this year will look like and how we will have lived through it. But obviously not all the components are already in place that will be in place in the future to have a more stable and predictable process.

So I think that's a useful caveat for everyone to keep in mind. This is the first year and we're designing a little bit as we go here and because we're already in the mid-July or end of July.

Okay, let's move forward. So I think from that point of - if we agree that we have a comprehensive operating plan and budget validated and we'll talk a bit more about it but validated by the PTI Board and also at the same time by ICANN, this is, I think, a principle that will help a lot the process down the road. So after that the - we allow a little bit of time, that's the orange box that's called ICANN BFC and PTI Board Approves Publication, for that meeting to happen to be reviewed.

There is, therefore then the publication of the draft. And this publication is simply for community engagement. So I think we should stop a little bit here

and try to discuss if we can, what should that public - sorry, that community engagement contain. And I'm going back to the previous slide, please Yuko, just - we've listed the fairly obvious type of interaction. And I wanted to give you a sense as to what interaction would be - should be considered. And we should plan for organizing and maybe also with which participants to ensure that the adequate community engagement occurs on the PTI budget.

So we've listed a few things. An obvious question is should we have a public comment or not? And obviously I think also that the type of engagement does not have to be, you know, engraved forever, it can evolve over time. So let me stop there. I see Chuck having his hand up.

Chuck Gomes: Yes, and I'll kick it off and let others jump in. But so this is Chuck speaking. And let me start off with the public comment. I think if you don't have public comment you're going to get a lot of flak. The - if you just got comments from the, for example, the CSC, the direct customers and so forth, I mean, I everybody has impacts on what happens with IANA. So I think public comment goes without saying is my opinion. And I...

((Crosstalk))

Chuck Gomes: ...see Cheryl's checkmark there. Now, in fact I see the process probably looking a lot like what happens on the ICANN budget in terms of probably having some webinars and face to face, depending on the timing might not work. I don't know. If it does, fine. You know, it all depends on the timing of when the public comment period is and so forth. So that's certainly an option. But I wouldn't lock ourselves into a face to face just in case the - because that could be very expensive if it's not part of an ICANN meeting that is - fits into the timeline.

So I'll leave it at that and let Olivier jump in.

Olivier Crépin-LeBlond: Thank you very much, Chuck. Olivier Crépin-LeBlond speaking. And when it comes down to face to face working sessions, I believe that these would only be conducted at an ICANN meeting. Can we scroll to the second page please? I don't seem to have scrolling ability at the moment. Okay thank you.

((Crosstalk))

Olivier Crépin-LeBlond: Yes, thanks for this, Xavier. Do I gather that the little blue dots currently on the top line are the dots where the ICANN meeting takes place?

Chuck Gomes: Yes, it says that down at the bottom.

((Crosstalk))

Olivier Crépin-LeBlond: Right, so if that is the case I would see that this is in the middle of the community engagement period, which I believe would be the public comment, in which case it probably wouldn't be a very large added expense to have an engagement session on the PTI budget. So I wouldn't be against it. But certainly public comment I would say absolutely mandatory, face to face session would be a bonus. Thank you.

Xavier Calvez: Thank you. I definitely assumed that if we would have face to face it would be at ICANN meetings and obviously it's not haphazard that we've listed that as an option, simply because to Olivier's point, for example Hyderabad would happen early November if we would produce something early October or mid-October it would fit probably well, not too bad at least, between Hyderabad and that engagement period. So and if we have - and we have an ICANN

meeting, which is the general assembly anyway, every year around the same timeframe that may be a point of time that fits well for that engagement. So understood.

But I think the important point is that the public comment seems to be, I think, from all of you, a must. I haven't heard Mary jumping in, and I'm assuming that, Mary, you'll jump in as much as you feel is required. But I'm gathering from you guys that we do need to have a public comment process at least certainly this year coming up.

Am I right to assume that if we do have a public comment process then it allows us to not specifically create communication processes with specific groups like the CSC or the RZERC because then everyone would provide input through the formal process of public comment, is that a reasonable assumption from your perspective?

Chuck Gomes: This is Chuck. I'll just jump in. I didn't take time to raise my hand. RZERC is very different than CSC. So I think there probably needs to be some - possibly some of the interaction during the community engagement period. May need to involve the CSC and the direct customers. But there should also be opportunities for the whole community like in a webinar and so forth.

The specifics of those things can be worked out. But because of the critical nature that the CSC and the direct customers have, I suspect that during that community engagement period there will be - maybe very early in the beginning of that, some special sessions involving the CSC and/or the - and probably the direct customers. But that's just some initial thinking. I think those kind of details can be refined as we go and probably get feedback from the CSC once we do that.

Now the RZERC is very different. The RZERC has a very unique role so it doesn't necessarily need to be involved in the budget process, in my opinion. If there were some new architectural things that were being proposed they should have already been involved before we start budgeting for it. If that makes sense.

Xavier Calvez: It does. That goes back to what we were discussing earlier, the input from the CSC and RZERC and so on wouldn't be having been provided in advance, which would then lead us, Elise and her team, to build the operating plan and budget that's drafted. No I think it makes sense. I was thinking offline with Taryn and the team that today, as you know, when we publish for public comment process - for public comment - immediately - in the days that follow the publication we organize calls...

Chuck Gomes: Yes.

Xavier Calvez: ...to present and go through. But I think we could use that model to do the same thing with CSC and RZERC and so on.

Chuck Gomes: Yes, this is Chuck. That's what I was saying earlier, and I see Cheryl is on the same page. Yes, I see it very similar. It may be customized a little bit differently...

Xavier Calvez: Right.

Chuck Gomes: ...because you have a CSC and the direct customers involved. But you still need to involve the whole community. So...

Xavier Calvez: Yes. Yes. Okay. It's a bit of logistics but one thing that we're going to need to try to think through, and I think at the next stage, but I'm prefacing that

question later on is when we try to take the next step to this calendar, we're going to need to think about this public comment process. And how we manage to fit it within the timeframe. I think you realize, even if you don't necessarily have it in mind, that a public comment process is logistically, from a resourcing standpoint, a very demanding exercise.

It is demanding for the community of course, and it is demanding for the staff as well. And it takes preparation, it's a, you know, for a 45-day public comment process this is a three-month exercise when you line up the preparation before, the public comment process itself, and the follow up, which is obviously key. It's about a 90-day exercise. So we'll need to think through how we fit that into the process in a fashion that makes it effective.

We also have - just want to make sure everyone keeps in mind that the PTI budget is not going to be looking like the ICANN budget in terms of volume, right, I mean, even if we use the same types of format and depth of information, it's not going to be a 90-page document either so hopefully reviewing it is not as a demanding exercise to any individual as the ICANN budget would be.

So hopefully - honestly I'm prefacing the potential idea that we would have a slightly shorter public period for that public comment than the 45 days because I think that would make it more challenging to fit. FYI. I see Chuck having his hand up.

Chuck Gomes: Yes, thanks, Xavier. And it's - I think you probably are already on the same page as me on this, but it's very important that that draft that's published follow the same principles that we've arrived at for the other ICANN process. In other words, it has the level of detail so that the community can easily respond and don't have to come back and wait for more information.

Because if you don't - if it doesn't and community members, even direct customers, have to come back and ask a lot of questions, that's going to make it harder to make the comment period short. And probably - and make the process itself less efficient. So if we transfer obviously on a much smaller scale, the principles that have implied - have been applied to the full ICANN budget, then that will make this whole thing work a lot better.

Xavier Calvez: Yes, and that was my presumption, Chuck, that we would use as a starting point the type of information, the format of information, the depth of information that we have used so far for the ICANN budget and then translate that for PTI. And of course it can be - and it should be tailored as much as Elise and her team think makes sense to specifically the IANA functions. And I'm sure it will be.

My point there is that I could imagine that Elise will want to maybe provide more information, you know, there's dashboards that the CSC will be looking at on a more or less recurring basis, I'm sure that there's been some information that maybe we have not necessarily provided as part of the ICANN process so far that may be very relevant and useful and desired to be produced as part of this specific PTI/IANA functions budget.

So I agree with your - let me rephrase - you formulated a request that was my assumption is that we would have at the minimum the same amount of information and depth and level of detail and possibly more based on the specificity of the IANA function.

Chuck Gomes: I expected that. Thanks.

Xavier Calvez: Okay. Okay so I think that's clear. We're going to try to develop the process that fits the public comment process. Any - honestly to me that was the crux of this calendar is that step. After that the - I think the steps are fairly straightforward after the community engagement or the public comment process is finished. We formulate the responses, we iterate the plan, if need be, to take into account the comments and make modifications as required.

Now, the only question that I had actually - after I sent this template in that I don't think I've discussed with the team is if you think about it, consider if you place yourself at the end of the period where the blue box, respond to community feedback and update draft, which is the third line from the bottom. If you place yourself at the end of that period, after all that has happened, the question is do we need to have immediate Board approval both from the PTI and ICANN Board? Or do we let that approval happen for either of the PTI Board or the ICANN Board at a later date?

Meaning, it can happen as early as that but does it have to? The only reason I'm raising that point is that logistically or maybe for the communication, we may want to leave that open. I also want to point out that though we have not put it there, if you think about the ICANN public comment process on the ICANN operating plan and budget, would be happening in that Q3 towards the tail end of the Q3 period so basically right after the yellow star that we have at the bottom of this chart.

So the reason I'm saying that is because if you think about it, having the ICANN and PTI Board having approved the budget and operating plan of PTI before the ICANN public comment process occurs, maybe something that is viewed by the community as a restriction to the input that can be provided. I wanted to raise that thought so that you can share your views on that.

((Crosstalk))

Chuck Gomes: This is Chuck. On the - I'm going to throw a little wrench in this that I don't think would happen very frequently, if at all. But if the response to - if there was some more complicated things that came back in community comments and the response was deemed to be unsatisfactory to the community - and again I'm really not anticipating that would be a very likely scenario so let me be clear on that. But we all know the community we live in and work in so there's a possibility.

Xavier Calvez: Right.

Chuck Gomes: So it seems to me there could be a need for the PTI Board, for example, to go back to the community and (unintelligible) feedback. Now I think in your timeline here there's room for that if it needed to happen. Because right now you're showing the PTI Board approving it in the middle of - looks like that would be January, right? And then the ICANN Board by the first of February.

If those had to slip a little bit, maybe up to a month, you're probably still okay on your ICANN process. And again, I said this, I think, in a private email to you, that to me is good. We don't necessarily have to show it here, but I think if it was needed some year, having that flexibility could be useful and keep everything on target and not negatively impact the regular ICANN public comment period for the budget. Did that make sense?

Xavier Calvez: It makes sense to me. I would want to let Cheryl react as well, she has her hand up.

Cheryl Langdon-Orr: I wondered whether with that last line in the chart, rather than ICANN Board approves final PTI (AP) and (B), that nomenclature slightly...

Xavier Calvez: You're cutting out, Cheryl. We can't hear you, Cheryl.

Cheryl Langdon-Orr: Okay. I don't know why it was playing up. Can you hear me now?

Xavier Calvez: Yes, perfect.

Cheryl Langdon-Orr: Yay, oh well. I need a technology upgrade. Me personally as well as my headset I suspect. I was thinking that perhaps just a nomenclature change on that last line might serve us there but then listening to you, Xavier, I also wondered whether we could indicate that as the earliest possible date. I was thinking rather than define that as approval of the final PTI budget, that - operating plan and budget - that - and that - the community may, as Chuck said, knee jerk a little depending on their mood at that from time to time certainly if there was some sort of exception or issue raised in the community engagement phase.

But we do need it fully noted by then so it can rightfully take its place within the ICANN budget process that follows, which is where you started with today's discussion point, Xavier. So maybe if we simply indicate in the chart that the ICANN Board formally notes, I don't know, find the right language, in Australia we'd call it tabling but apparently that means a very different thing in America and Europe. But it is formally received, formally whatever, with all the changes or ongoing questions that may in fact still be lingering at that point in time at that particular star point.

And then we know what is going into an ICANN budget process to follow whether it is a - everything is okay for standard operational procedure or costs based on the system of how we ran last year plus X percent. Or whether or not there's more discussion on some exceptional expenditures. Just I think we can

probably only need to tweak some of the language rather than get too (unintelligible). Thank you.

Xavier Calvez: Okay, thank you Cheryl. Now I think that makes sense and I think we're going to need to think through a bit whether the Board approval needs to occur exactly as at that time when I said that time I really mean at that phase or whether to your point we have a step that represents that Board receiving or adoption but that your approval - the formal approval occurs at the later date, maybe after the public comment period for ICANN.

As you may have understood, we have used a bit the model that we are using for the additional budget request process where we disconnect for a section of the ICANN budget the Board approval and create a specific Board approval of a section - the subset of the expenses separate from the approval of the entire budget. So that's what drove our thinking on proposing this process.

And for those, I mean, I think all of you are involved in that process that the additional budget request process it's basically separate Board approval where the Board approves about \$600K of expenses, or so. Here we would be talking about \$9 million, so it's not exactly the same thing. And the challenge there is that from a fiduciary standpoint for any Board, it should be challenging to - and it should be done very carefully to approve expenses without approving revenue so without having an adequate visibility on the revenue basically the funding of those expenses.

So that's something we'll simply need to be careful with because that's the caveat that I have in the back of my mind in this Board approval happening at that time. So - and that also leads me to remind everyone or tell you that when I said we need to look at this process internally, we have not discussed what we're discussing right now with you guys, we have not yet discussed it with

the BFC either. So the input from the BFC will be something we'll be considering and using and needing to get. But we are designing all together here as we go before we submit that to the BFC.

Okay I think that's very useful.

Chuck Gomes: Mary had her hand up. Mary, did you still want to jump in? Yes. Go ahead, Mary. Are you on mute? Not hearing you.

Xavier Calvez: Yes, Mary, we can't hear you.

Chuck Gomes: Maybe you can put it in the chat or at least email us what you wanted to say if that's easier. Obviously we're not finalizing anything here, we're just interacting. Now, if Mary can jump in that's great, just interrupt me, please. This is Chuck.

I found some inconsistencies in our recommendations in the CWG recommendations with regard to this. In the CWG proposal, Paragraph 106 says, "PTI should also have a yearly budget that is reviewed and approved by the ICANN community on an annual basis." And then in Paragraph 163 it says, "PTI should also have a yearly budget that is reviewed by the ICANN community." It doesn't say approved there. And I think this is probably more in line what we really intended but that's not what it says.

And then Paragraph 434 says, "PTI should also have a yearly budget that is reviewed and approved by the ICANN community on an annual basis." Now, part of the confusion, I think, relates to the work of the Accountability cross community working group. And what they ended up - the direction they ended up going, instead of approval they ended up going to a veto option.

Now in my mind, that accomplishes essentially the same thing just a different tactic. But I just wanted to call to people's attention that our wording wasn't very careful in our proposal and wasn't even totally consistent. Now personally I don't see that as a big hiccup but I wanted to call it to the attention of those of you on Design Team O to see if you see it the same way I do in terms of the wording. I don't think that a formal approval is needed by the community because the community power that will exist will be the right to veto a budget if we don't approve it.

Now, to me that fulfils what I think we were getting at way before the accountability work got to their community powers thing and when we drafted our proposal. So am I right on that? I'd like some feedback from each of the DT-O members on that. What are your thoughts on that?

Cheryl, how about if I pick on you first?

Cheryl Langdon-Orr: Well you can pick on me. Hopefully the system will allow you to hear me this time as well so I could - it's being mean to Mary and I. You know, no, no gut reaction happened when you were saying that, Chuck, so that's always a good thing between you and I.

Chuck Gomes: Olivier, how about you?

Olivier Crépin-LeBlond: Yes, hi there, Chuck. It's Olivier speaking. I'm fine with that.

Chuck Gomes: And Mary - oh thanks, Mary, I see - we get it in the chat, that's great. So I just want to make sure I'm on the same page there. I think that's all workable. And do the three of you all agree with me that this approach is on target. I think it solves the nine-month issue. It solves the requirement for the Board to approve it well in advance of the regular budget, which - and those were the

two big issues I thought that needed to be addressed. And I think the direction you're going, Xavier and your team and Elise, accomplishes what the concerns were. Any disagreement with that? Olivier, go ahead.

Olivier Crépin-LeBlond: Yes, thank you, Chuck. It's Olivier Crépin-LeBlond speaking. Just one thing, I first wanted to say that I'm very impressed with this timeline, planning and, as you said, you know, with the missing items, which have been noted during this call, that would make it even better.

But I do have a - just one small concern, perhaps, as we know sometimes things get delayed. And I don't know how much leeway there is in this timeline. I'm not quite sure whether Xavier has told us this really needs to be very strictly adhered to or if an unknown unknown comes up how much leeway do we have to move this forward by a week, two weeks or a few days. Thank you.

Chuck Gomes: Well before I let Xavier respond, and I want him to, I see a 30-day flexibility there in what would be, let's see, I'm trying to sync my thing - in the third quarter, February there's a little bit of leeway in there. It may not be totally 30 days because you need the PTI Board approval and then you need ICANN Board approval.

But there - that's what I was talking about earlier when I was talking about there's a little bit of leeway which I think is good. I think that's healthy anyway. Did that make sense, Olivier?

Olivier Crépin-LeBlond: Yes, thanks Chuck. That does make sense. As long as there is some leeway and we're not just suddenly facing the world crashing down on us through some minor delay or something, thank you.

Chuck Gomes: But let's let Xavier respond. I didn't want to answer for you but I just wanted to clarify that's what I was getting at earlier in some comments I made.
Xavier, what do you think?

Xavier Calvez: Thank you. Presuming I understand correctly the question, moving anything forward in the overall ICANN planning process is very difficult. Moving things backwards is a little bit easier but then comes at a cost which is the next step. So now as it relates specifically to this process, I think we have a bit of flexibility.

If we would bump against the beginning of the public comment period for the ICANN budget, that creates a big problem because we have no leeway in the ICANN budget process. We have no buffer, there's every - every delay cost us an arm and a leg every time because it's so tightly sequenced together. But at the same time if there is a need for an iteration for the PTI budget I'm actually wondering whether we cannot easily, together, as a community, disconnect the finalization of the PTI budget from the ICANN public comment process. If you see what I'm saying.

Meaning that if the PTI budget needs a bit more time to be finalized then it can happen in parallel of the beginning of the ICANN public comment process, without necessarily be creating that much of an issue. So does that make sense?

Chuck Gomes: You can see a couple green checkmarks there.

Xavier Calvez: Okay. Okay so, yes, I think, Olivier, we have - and that's the point of the recommendation of the CWG is that happening - it happening earlier makes the process allowing for iterations if need be. That's the whole point that you guys had designed. So I think that we see that as being possible as well.

Chuck Gomes: Olivier, what do you - go ahead.

Olivier Crépin-LeBlond: Thank you, Chuck. It's Olivier speaking. Xavier just mentioned the ICANN public comment. I'm sorry, it's late here and I'm a bit - probably a bit confused. But do you mean the community engagement that we see on this current planning calendar or the public comment for the overall ICANN budget?

Xavier Calvez: The latter. The latter, the one that happened this year from the 5th of March to the 30th of April.

Olivier Crépin-LeBlond: Okay. All right okay that makes sense. Okay well okay that's fine then, yes, you've also got my green tick. Fantastic. Thank you.

Chuck Gomes: Mary, does that make sense to you that we could overlap them a little bit without losing anything critical. So is there is anything else we need to discuss to help you and your team out and Elise, Xavier?

Xavier Calvez: Not on the substantive content of this. I would simply want to lay out what we think the steps are on our end here from this - after this call. We need to clarify a couple things relative to the language that we've used. We need to I think reflect the fact that we want to have a public comment happening so the community engagement needs to be a public comment and we need to fit that into the process and see how it does fit and what conflicts it may create.

We, we internally, need to look at this in the context of the overall planning year of the - of ICANN overall. We need to validate this with the executive management of ICANN. We need to validate this with the BFC from a conceptual standpoint. And I'm expecting the BFC wanting to look at not only

this slide that we're looking at now but also how - sorry - how does this process fits within the rest of the process.

And I think then my question would be for you, Chuck and the rest of the team, what do you see the next step being from a CWG validation standpoint both in terms of steps and timing?

Chuck Gomes: Well this is Chuck. And what I was thinking, and I welcome input from the rest of the team, is, is that I think we can conclude from our session today that those that participated in this call from Design Team O is supportive of the direction and we're confident that this will meet the needs of the CWG recommendations and that we're willing - if you need to bounce things off of us - you may not, okay, I'm not saying you need to - but I think we're in a good direction and we just have to start putting meat on the bones.

I guess one question...

Xavier Calvez: Okay.

Chuck Gomes: ...that comes up, do we need to have a community little group to refine the process? If we go with a similar approach to what as far as the public input is, to what you're doing now, I'm not even sure that that's necessary.

Xavier Calvez: Okay. Understood. Yes, I think that - so the general approach that we've had is not reinventing the wheel but copy and pasting the things that work well so far and try to apply that. So thank you, that's helpful. So I think we need to take the next steps that I described earlier, we need to work internally also to make sure this makes sense to everyone and that it - there's no conflict that we have not seen coming up yet with this approach. And also see how Elise can make it work, there's a lot of work on her end on this.

And she had to jump off the call just FYI.

Chuck Gomes: Okay.

Xavier Calvez: And so we just need to do that. But, no, this was very helpful to be able to discuss this and move forward, so thank you very much for your input and participation.

Chuck Gomes: Well thank you. And before we go to Mary and Olivier again, I think that probably at least you and I, of course the others are welcome to speak up too, that Jonathan and Lise will probably want some sort of update from us in the CWG call tomorrow.

Xavier Calvez: Right, and the way it's happened so far has been relatively informal and you've jumped in and I've completed as much as needed be. So I'm fine following your lead there as required.

Chuck Gomes: Okay. And I don't think we need any detail like we've gone over today, it'd be better to flesh that out further and down the road provide that. But just a verbal update is what I'm thinking. So Mary, can you talk now? Can we hear you? Let's try.

Mary Uduma: Yes, I think...

((Crosstalk))

Chuck Gomes: Oh there, it's kind of low but I hear you.

Mary Uduma: Hello.

Chuck Gomes: Yes. Go ahead.

Mary Uduma: Can you hear me? Okay. All right, just (unintelligible) just to commend him for the layout but whether he wants to push for the resources whether he has all the resources to be able to do all this cycle for PTI and there will be another cycle for preparing (OP) and (D) for ICANN. So the PTI needs to be resourced enough to be able to do this. I know it will be a lot of job to do. So would he want that to be brought in as part of our report in the CWG?

Xavier Calvez: Understood, Mary. And I think that's a very useful comment. And my reaction to that is that the PTI overall, it's not just about the planning process, the PTI overall by definition creates a complexity that has implications across the board and across the ICANN organization that's involved in it and for me it has a very direct consequences for all of us. So we are taking that into account as part of the complexity that's, for example, in the finance team we need to manage on an ongoing basis.

There's the planning process that is specific, that creates complexity. That creates more work. But we are also talking about a new legal entity which means new financial statements, which mean specific reporting, which means an additional Form 990 and so on and so on. So there's definitely a lot of complexity and ongoing increase of resource requirements that are created as a result of the existence of the PTI. But thank you for reminding us to also mention that.

For now, I mean, we're looking at the resource requirements in light of a broader scope than simply the - the addition of the PTI. But certainly that is an element that is an input into our assessment of our resource requirements. Producing a caretaker budget is another element that will - that is not

necessarily simple task that is added to what we want to do so there's a list of things to - that we want to add. But thank you for that comment. That's useful.

Chuck Gomes: Olivier.

Olivier Crépin-LeBlond: Thank you very much, Chuck. It's Olivier speaking. And I just had a procedural question for you, Chuck, on how you wish to take this forward. I know you just mentioned that you were going to provide a verbal update on tomorrow's - or for tomorrow, I don't know whether it's tomorrow - it will be tomorrow for you or tomorrow for everyone but on the next CWG IANA call. And of course I gather that Xavier will incorporate the comments that we've made here in the - for example, the missing items from the timeline, etcetera.

Will it - I mean, is it the plan that at some point this timeline will be presented to the full CWG IANA or...

Chuck Gomes: Yes. Yes. We need to...

Olivier Crépin-LeBlond: Okay.

Chuck Gomes: We don't have any decision making authority but we're going to need to...

((Crosstalk))

Chuck Gomes: ...get this fleshed out further. We're going to need to present it to the CWG. And probably with our recommendation of support assuming that happens. And give the broader CWG the opportunity to concur or to - and to ask questions and so forth. So absolutely.

Olivier Crépin-LeBlond: Okay so for the record, I mean, that's an excellent way forward, so, yes.

((Crosstalk))

Chuck Gomes: Yes.

Olivier Crépin-LeBlond: Thank you.

Chuck Gomes: Well thanks, Xavier...

Xavier Calvez: Okay?

Chuck Gomes: ...to you and your team and Elise and her team. I think we're on a good track to getting this done. So much appreciated.

Xavier Calvez: Thank you. Thank you for your input and instructive comments. So we just need to get on with it now.

Chuck Gomes: Okay.

Xavier Calvez: Thank you.

Chuck Gomes: Okay so we'll adjourn the call. Thanks, everybody.

END