

TRANSCRIPT

Finance Working Group Telephone Conference *11 October 2013*

Attendees:

Henry Chan, .hk
Byron Holland, .ca (Chair)
Lise Fuhr, .dk
Allan MacGillivray, .ca
Roelof Meijer, .nl
Sieger Springer, .nl
Mathieu Weill, .fr

Staff:

Bart Boswinkel
Gabriella Schitteck

Apologies:

Lesley Cowley, .uk
Keith Davidson, .nz
Young-Eum Lee, .kr
Peter Van Roste, CENTR

Byron Holland:

Okay. Well, it's just a couple minutes after the hour, so let's get going. Welcome everybody. Welcome to what will be the final meeting before Buenos Aires, and where my goal is to discuss any of the potentially outstanding items which at this stage, hopefully, are few and far between, and small, if any.

The documents that were provided already, but we'll look at today; reflect for the most part, the last Working Group's Meeting and Conversation, certainly where appropriate. Not every single thing that was raised has been incorporated, but we certainly reflected on it, and incorporated what we felt was most appropriate and continues to help us on the path forward.

So what I wanted to do, you can see the agenda in the Adobe rooms in the top-right, it's just a five-point agenda, but the key is that I want to look over the guidelines and make sure that we have captured the will of the Finance Working

Group, and certainly, I think we have here, and we've managed to find -- I believe the right wording based on the inputs that we've had over the last couple of meetings. And then talk a little bit about the path forward and suggestion for a webinar, and how we actually get to Buenos Aires, in terms of this issue.

And also about, say, the final steps, the sooner we get there in terms of how we get it to the Council, and what the requirements are for that process. Then we have the opportunity for any other business.

I have a bit of a cold, so you have to bear with me, if I mute myself for a second to spare you from coughing, or any such thing.

Anyway, moving on to the item number two, the guidelines; that document is up on the screen right now. You can see the guidelines for yourself, which have had a few minor tweaks based on the input from the last meeting. And I'd call your attention to number eight in particular, which would be the second to last bullet point where we've verified that the transition period calls for -- would also confirm (inaudible), will also apply when a ccTLD is moving between them; so for fine-tuning or nuancing of that guideline.

I'm hoping people have had the opportunity to review the guidelines and also take a look at the bands on last time. We had some discussion last time about the bands and why some of them were shaped the way they were in terms of the graphs that I sent from the last meeting.

Any comments on the principles and guidelines as you see them. The fact that we have nine key bullet points, of which we've been working, we did some nuancing and fine-tuning of them over the last few meetings, and I think the one I just mentioned is probably the final nuance, but that would -- based on input from the last meeting.

Mathieu Weill:

Byron?

Byron Holland:

Go ahead.

Mathieu Weill:

This is Mathieu speaking.

Byron Holland:

Hi, Mathieu.

Mathieu Weill:

Sorry about being late. I caught your question about the bullet points. I have one single, short suggestion, which would be to move the item number three related to having a discussion to review the model --

Byron Holland:

Right.

Mathieu Weill:

To the bottom of -- quite to the bottom of the list. It feels a little strange to have the idea of a review coming on top of the list, for me. That was my suggestion.

Byron Holland:

So just in terms -- nothing to do with contents, something to do with the order?

Mathieu Weill:

Absolutely.

Byron Holland:

And a suggestion to have the principle that it would be reviewed in some period of time at the end. Sure, that makes sense to me, actually; so to move bullet number three and make it the final bullet number nine and just move everything else up. That makes sense to me. Any objections to that? Okay. Thank you.

Any other comments on the contents here? So hearing no further comments and having received no further written feedback from some of the folks who are not on the call today, but have been fairly fulsome in their feedback overall. I'm going

to say that the principles as you see them, would be order change suggested by Mathieu, which I think is good, are what we are going to present, and that I want to make sure that we, as the Finance Working Group, are in a position to be able to recommend these principles, as amended by Mathieu, to the Council.

Are we comfortable with that? Thank you, Henry, I see you on the chat. Okay, with that, if there are no object -- Sorry, did somebody say something. No. It's just feedback? I don't see any hands up on the chat.

Okay, so with that, as a major step forward, thank you all. We will take the principles as you see them, as amended by Mathieu in terms of order, and those will be the principles that we put forward to the Council. Thank you very much.

Okay. Item number three on the agenda, which is really the note here is we are going to need for the webinar, but in a sense that's a placeholder for just the process going forward, and making sure that we the most robust process possible in order to achieve end objective, which is getting it to the Council successfully and socializing it within the broader community in a way that makes sense.

So my suggestion is that we hold the webinar for the entire ccNSO late this month to walk people through -- to walk, maybe, through what we have arrived at, and with the focus in particular on highlighting the inputs that we have received, or that we did receive in Buenos Aires as well as some of the work that the Working Group itself has done, and walking through where we have come to, based on that feedback, and on continued discussion.

So the real goal here is to provide a socialization of the guidelines, principles, and before we get to Buenos Aires, so that we are not just hitting people with, "Here's the final documents," not at the last minute but -- in a way that there's little time to digest it. And also from a tactical point of view we would have provided the opportunity for people to get engaged, so there's less opportunity for people to be surprised by anything. Not that they should be, given how long this has been going on, but we just want to make sure that we don't get caught in that line of questioning.

Any questions or comments? Suggested dates are probably October 30th and 31st, giving people a few weeks from now to get it into their calendars, but then also giving people a couple of weeks before we get to Buenos Aires. And also I think there's a number of folks who will be -- the IGFs in Bali, so we are somewhat constrained by that significant block of time.

Roelof Meijer: Byron, this is--

Byron Holland: Roelof, go ahead.

Roelof Meijer: I think I missed part of that. How is the planning, compared to ICANN (ph), Buenos Aires, is it before -- you plan the webinar after that, right?

Byron Holland: No, no. The webinar would be before Buenos Aires, at the end of this month, so that--

Roelof Meijer: Okay. And will you be sending out the documentation first?

Byron Holland: Well that's a good question. My inclination would be to present the documentation on that webinar, not have it out in wild prior to -- I think it's the kind of thing though -- the subject is sensitive enough that I think we would want to walk people through and have our message delivered as people received the document as opposed to just going out without any explanation behind them.

That's my inclination. And it would be -- the webinar suggested dates are October 30th or 31st, giving people a few weeks to get in on their calendar now, and a couple of weeks contemplate it before the Buenos Aires Meeting.

Roelof Meijer: So it's prior in the true sense, right. So it will be a live session that's recorded both video and audio, and then will be available online with the documents?

Byron Holland: Yeah, that's correct.

Roelof Meijer: Okay. Because my point would be that compared to the total CC community, you will -- well, I don't know, but I wouldn't expect -- I wouldn't have too high expectations on how large a number of CCs you would, in the end, reach with a webinar. So in the end you will; one way or another, still have to distribute the documents, which you could also do with a link to the webinar, for instance. Something like that.

Byron Holland: Yeah. I think that's actually a good idea because the webinar, I'm presuming is recorded, which maybe is a presumption that I have to double check, but--

Unidentified Participant: No.

Unidentified Participant: No. It is, Byron. It will be recorded, yes.

Byron Holland: Right. So at least then the messaging that we want to deliver associated with the documents is captured, so when people, after the fact, get the documents, they will be linked to the webinar and our messaging will be held there. So to me that's, as we try to socialize this and put it out for more public view, we want to make sure that our message goes with it, and I think that's the way to do it. But I think your suggestion is good though.

The documents would be associated with the link to the webinar so people could click on that. And we'll try -- the webinar, what I envision is that it won't be a long and detailed presentation, per se, but it will be short and to the point with the key messages and highlights, so that people can -- the actually presentation piece, the delivery piece, and many other, there could be Q&A after, but the delivery piece, where people would get the message will be fairly short I would -- I envision within 10 minutes to deliver this and the messages associated with it. So that can be a pretty tight package that would go out to a broader audience.

Roelof Meijer: Okay. Sounds good.

Unidentified Participant: Byron, Lise has her hands up.

Lise Fuhr: Byron -- yeah.

Byron Holland: Lise. Okay. Go ahead, Lise.

Lise Fuhr: Yeah. Hi. I don't know if you discussed this at the last meeting, but is this going to be presented at the meeting before we send it to the Council? Or is the webinar the last stop before the Council?

Byron Holland: No. In terms of logistics, we could have the webinar, we have the meeting on Sunday in Buenos Aires with the Finance Working Group, and then it -- this will be presented to -- at the ccNSO Members Meeting on Tuesday (inaudible). Hello?

Unidentified Participant: (Inaudible).

Lise Fuhr: I don't know what's going on.

Byron Holland: Just a reminder to put your phone on mute if you're not speaking to Lise. Sorry. And then it will be presented in full to the Members Meeting Tuesday morning.

Lise Fuhr: Okay.

Byron Holland: Before it gets -- goes to Council; so there will be two more major opportunities along the way for socialization, education and comment.

Lise Fuhr: Okay. Thanks.

Byron Holland: Okay. Yes, so I think the idea is that it would be for all ccTLDs, it's not just ccNSO Members. And that's the comment responding to Henry's chat question. And I'll look to Bart and the team, Gaby, to arrange that webinar and ensure that we capture the content there.

Okay. Thank you.

The next item on the agenda is a review of the performance reports to go to the ccNSO Council, which is the thicker document that contains the guidelines and the bands that we've just seen. But also provides the written context. This document is meant to be a document that is, in a sense, a self-supported package. This is the thing that could go out to a relatively uninformed person anywhere in any of the communities, and they would, by reading it, have all of the information required to understand the issue and the history and the guidelines and (inaudible).

So it's the type of documents that would go to the Council, this would be the report to the Council, that we would -- many of you have seen it all before, this will just continue to be fine-tuned and better packaged. But then this is also the type of thing that I would anticipate is the document that will be out there in the broader community once the Council approves it, assuming we get to that.

So are there any -- I mean, I'm not going to walk us through it, we've seen all of the material before. What I will say is that some good suggestions were made in the last meeting, both on the phone, but also there were some written comments on the previous iteration of this, which I was mostly been taking into account. It summarizes the history and outlines the total journey that this issue has taken, so we went back in time a little further. To make sure that anybody who isn't familiar with the issue would have a fulsome review of it; and I think that that additional context actually helps solidify the argument, or the point of view that we are bringing to this issue.

So again, there's nothing new from a conception standpoint, there's just additional nuance from the feedback we received, as well we stretched the history back to the beginning of this issue. It's certainly been reviewed, both Allan, who most of you know, and I have worked through this and believe it to be true, and appropriate, but I would also encourage you to read it and forward me any of your comments; if you don't have any today.

But I think it was packaged: you have the history, it shows the model, the value exchange model, if you move on to page number four, I think just on the slideshow, Deb, if you can slip ahead. The history--

Unidentified Participant: Even though it's -- I'm doing it for you, but just so you know, you have the presenter rights, you can also--

Byron Holland: Oh. I have control. All right. Okay. Thank you. Okay. So the first page-and-a-half are the history, the next concisely, summarizes the value exchange model, the

numbers generated in conjunction with Xavier (ph) and ICANN (ph), coming out with the total at the bottom. As we move through it we can show that the community can that a number of different models were reviewed and examined, so that the history, they have a number and they have the guidelines, and then the bands in one package. And then our own -- our charter (ph) -- Sorry about this; I mean the charter the actual Working Group, with a fairly concise, short package that I feel that, set out into the wild, would an uneducated reader a pretty clear picture and a rational explanation for why -- where we are at.

The other part of this equation, in terms of logistics, is I want to mention that Bart's been discussing, with ICANN, the mechanics of how this would get presented to ICANN and how ICANN would be involved in receiving and participating in this exchange of documents.

And maybe, Bart, I could ask you to outline the plan here.

Bart Boswinkel: Yes. Hi. The basic idea is: and say, you see it already the business structure of this presentation that, say, in principle, the guideline is typically a ccNSO document. And it will replace the current guideline, and I think that one dates from 2007. And this will be shared with ICANN as the basis for their conversations with individual ccTLDs.

On the other hand, is the second part of the of the Finance Working Group was to get an idea of how much ICANN is spending on the ccTLDs and, say, in collaboration between ICANN and the ccTLD, and the Finance Working Group in particular, we arrived at the exchange of value model and based on that exchange of value model, we ended up with a total figure that's being vetted by some members of the Finance Working Group. And the basic idea is that ICANN will share, or will send a note to the ccNSO Council, referring or accepting the -- or noting the exchange of value model, and then arriving at the final figure.

So that will be a note from ICANN to the ccTLD community, say, based on the conversations we had, we arrived at the exchange of value model, and including, say, both the expenses from the ccNSO to ICANN events, et cetera. So specifically in the shared cost and the other, we arrive at this model.

So there will be a kind of exchange of statements from ICANN to the ccNSO Council in particular, and then from -- the guidelines will be back-to-back sent to ICANN. That is so--

Byron Holland: Okay, Bard. Thank you very much. I know that it's a very -- it's been perhaps a little slow to get this done. Where are we with actually getting that note from ICANN to us and is Fadi (ph) completely in the loop at this stage?

Bart Boswinkel: Fadi is not yet informed. He will be informed over the next day or two. I've been talking to Xavier the last couple of days around this, and it will be a very high level statement, maybe a couple of paragraphs, and then referring to the value exchange model, and I've, yes, suggested to Xavier that I will do a first draft at it, and that before that, say -- that we -- Xavier, will definitely share it with the Finance Working Group before it will be sent to the ccNSO Council.

Byron Holland: Okay. But you're confident at this stage that we are to going to have any unexpected hurdles, or hiccups in terms of the ICANN process?

Bart Boswinkel: No. It will be -- logistically it will be a nightmare, but in principle it is a logical way forward, and I know the BFC has discussed it in a way because, say, Chris was in the loop as well, and he's a member of the BFC.

Byron Holland: Right.

Bart Boswinkel: So, say, at least Chris and some of the others are comfortable with it because they want to close this chapter as well.

Byron Holland: Right. So I mean, I think we can -- conceptually I know that I have -- I and others have had this conversation with Sherine (ph), with Chris, with my Mike, conceptually, the value exchange model, and a conversation with Fadi. So I mean, notionally, everybody seems to be more or less on the same page, but when it comes down to the printed word that we all commit to, I just want to make sure that we are not going to have any late-stage--

Bart Boswinkel: No. No. That's definitely not the case, but it's -- so as I said it is I would say, I'll send it a first draft to Xavier next week, because I had one but it was too detailed, and knowing, say, in principle we hope that Fadi will send it. That is probably the best way forward for everybody, but if need be, either the current CEO or the CFO could do it as well.

Byron Holland: Okay. Thank you, Bart. Any comments or feedback from the rest of the group?

Unidentified Participant: Hi, Byron. It's a good document. It's clear to me.

Byron Holland: Thank you. As well as we know there have been a lot of good discussions that have helped us, I think, come up with this final piece.

Any other final feedback? Okay. So that's the plan forward. The next step will be the webinar in two-and-a-half, three weeks. The Sunday meetings for the Working Group and then the Tuesday morning presentation to the whole community, and in the interim, Bart will be securing the letter from ICANN itself, so we can have an exchange of documents.

If there's no further input, that is what I wanted to cover today. I'll open it to item number five, if there's any other business that people want to raise. Otherwise, I think the objective of this call has been satisfied. Thank you very much.

I would encourage you, if you haven't had the opportunity to completely read the primary document, to please go through that, and as always, if you have any further comments, please just email me.

All right, and in record time; it is now 9:30 where I am, but half-past the hour. Thank you very much, and have a good -- have a good weekend.

Unidentified Participant: Thank you, Byron. Same to you.

Byron Holland: Okay. Bye, all.

Unidentified Participant: Bye, all.

Unidentified Participant: Bye.