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MONTREAL – GNSO - RySG membership with ICANN Staff  
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DONNA AUSTIN:                      While we're getting the ... So we're waiting on you to get the room up.

UNIDENTIFIED FEMALE:            The room is up. Actually, we're waiting for the tech to come and  
[inaudible] the room.

DONNA AUSTIN:                      Okay. Thanks. Okay, Jamie, do you want to introduce your team?

JAMIE HEDLUND:                    Sure, Donna. Thank you very much for having Contractual Compliance  
here. My name is Jamie Hedlund. I'm head of Contractual Compliance  
and Consumer Safeguards. Yan Agranonik is here as well. He is head of  
Audit and Risk. And Jonathan Denison is also here from Compliance, a  
manager for Contractual Compliance. Then I'll let my colleagues from  
GDD introduce themselves.

RUSS WEINSTEIN:                  Sure. Thanks, Jamie. This is Russ Weinstein. I'm the Senior Director for  
Accounts and Services for GDD. We have a number of GDD staff, and  
then we'll go through our structure a little later but I'll turn it over to  
you.

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FRANCISCO ARIAS: Hi, this is Francisco Arias, GDD Technical Services.

JAMIE HEDLUND: Okay, so thanks again for having us. We sent some slides. There are basically three items on the agenda to discuss. One is the recent audit. The next is some observations we have and a plea for help from the Registry Stakeholder Group on CZDS issues that we're seeing. And then finally technical compliance and monitoring, which will be led by Francisco and then Compliance will chime in as well.

First on the Contractual Compliance, we put in a couple of slides. I think everyone here is probably pretty familiar with the audit and what we asked and where it ended up. I think we learned a lot from it and I think it's safe to say that for the next one, assuming I'm still in the role I'm in, that we'll commit to communicating earlier and we're often with you before it starts. But the main thing we wanted to do here was to talk about next steps for having the discussion on narrowing the differences in interpretations for [Spec 11 13(b)]. I don't think it's reasonable to expect that we would resolve that here, but we would be very interested as Compliance in meeting with you or whoever you designate to talk about the interpretations, how we would address them, how we would memorialize them, and put them out.

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DONNA AUSTIN:

Thanks, Jamie. Most of you are probably aware that within the audit final report there was, I guess, a recommendation or a finding, the dialogue between ICANN org and registry operators, would be useful to get a better understanding of what the Spec 11 3(b) requirements are. So, we haven't really had a discussion about how we would have that discussion. I don't know whether you have a timeframe on that. I guess it probably would be helpful to have it sooner rather than later.

There is an element that I think we have a pretty clear understanding of what we think it means and I think we told you through various communications what that was, but if it's just a matter of maybe a few of us getting on the call with you and a few others and starting the conversation then let's see what we get to.

JAMIE HEDLUND:

I think that's right. I don't foresee this being a lengthy process. There is a difference in views, but I think they're showing through the audit itself, we can get to a constructive result. So, on our side, it would be Yan Agranonik and me, probably someone from GDD, maybe one of the persons from Compliance, and maybe somebody from Legal because I do things legally on my own.

DONNA AUSTIN:

Yes. I think we can take as an action item that we'll have a conversation among the stakeholder group to see who's interested in being involved in that discussion, and then I'll get in contact with you and see when we can set something up.

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JAMIE HEDLUND: Great.

DONNA AUSTIN: Yup.

JAMIE HEDLUND: Okay. Unless anyone has questions about the audit and what we're doing next, I think we can move to CZDS. I'll turn to JD to make that presentation.

Can somebody have control of the slides? Next slide. Next slide. Next slide. Oh, no. Next slide. Next slide. These are all background on the audit, which you all have a lot of familiarity. Here we go. One more. Thank you.

JONATHAN DENISON: Hi. I apologize. My voice is not very pleasant to listen to at the moment but probably pretty quick to get through. Basically, we just thought we'd provide an update on observations regarding zone file access processing complaints Compliance has been receiving regarding zone file access.

As you can see on the slide here, from January 2017 to September 2019 Compliance has processed roughly 2000 complaints regarding CZDS access. Of that amount, 1200 were approved by the registry operator after Compliance sent inquiries. And actually, I think it was

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roughly 500 more were processed by the time we actually started reviewing. So it seems like a significant amount of the complaints we receive were just based on pending request for zone file access. The 2000 complaints were [tied] to about 450 TLDs in total. Approximately half of those are Brand TLDs. Compliance's experiences in processing suggest that maybe Brands could require some additional education on CZDS and zone files. We'll go into that a little more.

Some of the issues we observed recently is a lot of times it seems like perhaps there's a lot of turnover and some of these organizations were basically – the responsibilities of processing the zone file request aren't exactly handed off properly to new members of the organization. So oftentimes there's a lot of back and forth between trying to get credentialing and then naming services portal for processing. We're actually coming up with an FAQ regarding some of these kinds of basic issues.

The other thing we see too is perhaps maybe there's kind of this less of an understanding of what exactly zone files contain, the type of data that zone files contain. That seems to lead some registry operators who aren't necessarily aware to be overly cautious perhaps when processing zone file access request. We've run into certain circumstances where some TLDs might preemptively reject a request for zone file access based on some of maybe what they see as lack of information submitted by the user. Maybe the expectation is that the user basically has to explain in further detail how they're going to comply with the requirements regarding how they handle the data, what is received. And obviously there's only a couple of reasons in the

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RA where registry operator can deny a request for zone file access. Unfortunately, the way to go about it is not to preemptively deny without ... The idea is generally perhaps that information could be received before processing the request through communication between the registry operator and the user.

Basically, these are some of the main issues that have come up. There has been an uptick this year and I don't think there's necessarily a direct correlation to registry operators not processing. They just seem – perhaps some users are starting to report more this year than perhaps they were before, so some of the complaints received might be from older requests but they're just a bit more active. I think you can go to the next slide.

Like I said, we are looking to create an FAQ on zone file access request. We thought perhaps maybe there's some kind of best practices that you could share with other newer registry operators or basically your colleagues, essentially. I'm not sure what that would look like, but we could also of course learn from your experiences as well.

JAMIE HEDLUND:

Just to put this in a little bit of context – and the reason why we're bringing this up here – this is the largest by far source of complaints that we see in the registry space. So your help in educating members of the stakeholder group and your colleagues and other registries would be greatly appreciated.

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Obviously, some people in the security community make a big deal about this. And it doesn't seem like it should be that hard, but I'm probably underestimating what's involved but we'd love to work with you to figure out how to get better compliance rates.

DIETMAR LENDEN:

Dietmar Lenden, Valideus. I'm representing Sky and some other registries. A couple of points. I don't know if this is what's in the Compliance complaints, but one of the things that we have noticed is that there's an uptick in requestors that are putting in "N/A" as their address details, for example, and telephone numbers of "123456789." So they are fulfilling some kind of checking criteria, I'll assume, from the form but that's not valid data, so we're not going to allow those applicants to have access to the CZDS data because that is not an accurate bit of information.

Jonathan, one of the points you made there that was interesting was communicating with the requestor. If we want to use the CZDS system to do that, the only way you can do that is via the "deny" option. You can't do it through the "approve" because if you approve, there is no option to put a note to say, "Please come back with some further information." "Approve" is approved thing that said done. "Deny" gives you the opportunity to then put in a reason as to why you're denying the request and then request further additional data. Other than maybe taking it outside of the CZDS system, which is not a good method, there isn't really a way to communicate with requestors in an – well, not that I've seen anyway – easy manner.

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I just want to make one other point. It might not be the right spot but maybe for the GDD team, if you make changes to the CZDS portal, can you give us a little bit more of a heads up on that? Because there's a new feature – I call it a “bug” but we can call it a “feature” – where if you click on the CZDS requestor on the actual number – so you got all those columns and you click on the left-hand side – it opens up a new tab in whatever browser you might be using. So you could end up having 20 or 30 different tabs whilst logged in to one account, which is not really a secure method of doing business, to be honest. It used to be, when you clicked on it, it took you directly to the request within the same window that you're originally in. Now it's taking you into a new window to continue with the approval or denial of that request.

I've also noticed of late – there's been quite a few downtime issues with the CZDS portal where – I'm based in London so I don't know if this is just because the rest of the world might be sleeping or maybe waking up, but in London, going into the CZDS portal and actually trying to do a request, I'm getting quite a few timeout error where it says, “Invalid page,” which I wouldn't expect to see within the CZDS portal. But yeah, that's something that's been happening quite regularly. And I have raised some cases via the general global support address as opposed to against a specific TLD.

RUSS WEINSTEIN:

Thanks for the feedback. Can I get a quick clarification on the second point you raised that was being a user or requestor of zone files versus the first instance was being an approver of zone files?

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DIETMAR LENDEN: Right.

RUSS WEINSTEIN: Okay. I just want to make sure I understood that right. Thanks.

DIETMAR LENDEN: Cool. Thank you.

DONNA AUSTIN: Thanks, Dietmar. I have Maxim, Seb, Jonathan, Martin in the queue. Jonathan is going to respond to Dietmar.

JONATHAN DENISON: Thank you. Thanks, Dietmar, I appreciate it. It's interesting to hear the feedback regarding [cut] observations you're seeing. Certainly, if there are invalid credentials, it is permitted for the registry operator to reject the request. So if the credentials are incorrect, real legitimate, I think that's okay there.

Yeah, we've run into that before as far as when it comes to the denying first versus contacting. I know of course some registry operators are reluctant to go outside of the system. It seem like a gap probably there that should be addressed because it's not one of the permitted reasons to deny but at the same time how do you ...? So, I don't know. Maybe that's something that could come up for discussion as well, how best to address in those circumstances. Of course, that might be

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occurring and we're just not getting complaints about it then it resolves itself, but we're also seeing complaints where that does happen first and then of course we have to address them once we receive them. But yeah, thank you.

DONNA AUSTIN: Sorry, we've got quite a queue so we'll try to get through this. We'll cut a line under. Maxim?

MAXIM ALZOBA: Maxim Alzoba for the record. Actually, to say about the contacting, unlike in the past system where we wrote e-mails to the party saying, "Hey, please add this and that, so we formally could pass you." We tried that, it doesn't work because your current system, it makes snapshot of the data of the profile of that time. And when the person changes something, we do not see the reason and the only option is denial.

Also, speaking about the reasons for restricting access, also we are legal bodies established in our jurisdictions. In many, including the United States, we're responsible for the party on the other side of the screen. Also in our Registry Agreement, it's an obligation to establish the details of the party.

Also, speaking about CZDS issues, what do you think about limit of 255 characters in year 2019 because it's the limit of the answer? What can we say? It's usually four lines of extremely redacted text. We cannot even properly communicate even when we give denial because it's

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restricted. “Oh, sorry. No, next time.” I do not believe you don’t have enough funds to buy little space to allow for going beyond the limit of 255 characters.

Also, I would recommend to check the correlation between the move to the current system and the increase in numbers of cases relevant to CZDS. Because when system is not usable, usually users on both sides – registries and the requestors – they have issues.

Also, I would recommend to enlighten the team beyond the tool about such free audit tools, I mean for performance in Chrome browser you have developers’ audits and there is performance and time to interaction. When I see performance, one of [inaudible] hundred, it’s not [might] measure, it’s just browser, and time to interact of more than 35 seconds, you have to realize that it means that for a single approval, you have to spend a few minutes of time on a single item.

Also, I think that the [station] where the limited number of requestors of those cases effectively clog the compliance system with similar request cost basically by nonfunctioning portal and all seems to be functional. It’s not something good.

Maybe next time, it might be a good idea to involve not only requestors because there is a group of people having lots of fun interactions of e-mail of the requestors but despite our ask to include us in pilot system to check if it works, no, we’re not allowed. So it might be a good time to provide some training and education to the team behind it.

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DONNA AUSTIN: Thanks, Maxim. With that said, Jonathan Frost, Martin, and Seb?

SEBASTIEN DUCOS: I keep calling myself Sebastien Ducos but maybe I should stop because everybody else calls me Seb. So, this is Seb from Neustar. I have a slightly different point of view because I don't look at the request. I'm a requestor and I've been doing it since 2014. I've been asking. I follow the zones very regularly because I need them to work with BRG on makeway.world. I'm particularly charming and I'm sure that it transpires into my request, but I don't see the problem. There's one or two brands and they adamantly say, "I don't want to give you the data." There's one or two requestors – I have a list right in front of me. There's right now nine cases that I would suggest should be dealt with. I leave it also in order to keep my own clients honest and see those. And, a friendly reminder, I don't go through you guys, a friendly, direct reminder.

So I'd like to understand the problem of information not properly delivered in the request. There's also possibly a problem of being able to breathe one minute, take a few days, wait for the request to go through and being approved. I don't know how quickly people make the request and then call you. I suspect that that delay could be a bit more extended. From my point of view – and of course, I'd like to have a perfect score sheet – but 9 out of 1200, 1300 TLDs, it's not a catastrophe.

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JONATHAN DENISON: Yeah, we're not necessarily tracking how long people are waiting before filing complaints after they submit their request. But I do see, of course, a variety. Some almost seem like they're submitting complaints after a week has gone by since they submitted the request. Like I said, some just kind of pop up a year later and they're like, "Oh yeah, I have this thing that's been open for a while," but it does vary.

When we do receive those, as part of our confirmations, we are continuously reminding the complainants that the RA doesn't specify timeline by which registry operators are required to process these. It's just trying to find that immediate medium. That's just another one of those kinds of gaps there I think. But yeah, I think it would be interesting to do a deeper dive and seeing what the trends are.

JONATHAN FROST: Jonathan Frost for the transcript. I think that sometimes with our focus on goals and making Internet a better place, sometimes we lose track of the actual text of the Registry Agreement and I think, as our relationship with Compliance, we should [state] that. I mean that the bible for us, that's everything, right? So I'm going to read from the Credentialing Requirement Provision.

"Registry Operator, through the facilitation of the CZDA Provider, will request each user to provide it with information sufficient to correctly identify and locate the user. Such user information will include,

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without limitation, company name, contact name, address, telephone number, facsimile number, e-mail address and IP address.”

I mean whoever wrote this provision, it didn't come out the way I think it was intended to come out because this is not ... I mean the plain language of this says if you don't have your organization name – but you might be an individual – or you don't have a facsimile number (because who has one?) we can't credential them. That's what it says. Plainly, everybody is still credentialing people, life goes on, but when we have these little things where the plain text says we have to do something, then Compliance comes to us and say, “No, you can't do what the text says. You have to do ...” Would you guys be willing to write us waivers so that we can continue running the Internet in a good way even though the Registry Agreement is sitting here plainly saying we have to reject all these requests? Thank you.

MARTIN SUTTON:

Martin Sutton, Brand Registry Group. It builds on some of the things that were said already, but it does make me wonder out of the 2000 headline number there what were really valid complaints and how you actually assess whether they're valid, given some of the comments we've just heard from. It would therefore worry me if you're taking this pack around to different groups and giving those headline numbers without the full context. So I just wanted to point that out.

The other point is that, yes, I think it's great to have advisories and any guidance that can be put out there. Yes, please. We'll be able to share that with our members. But ultimately, at this stage, I prefer to have

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some engagement before you start circulating information like this. We have opportunities with our engagement manner, we could manage it with the Brand Registry Group. We have discussed some of this and tried to get some information back from our members. I've tried to do so very quickly this morning after receiving a copy of the pack just to see if that is reflective of members' experiences, which is not. So I think we really need to be careful here. Thanks.

RUSS WEINSTEIN:

Thanks, Martin. This is Russ. Just on the BRG topic, I know we have brought this to the BRG on a few times through GDD and talked through CZDS, and before the system changed, after the system changed, we've come a couple of times and I've talked through it. So I'm not defending the data, I'm not saying anything about the data, but I know we have faced resistance in talking to your members about why should access be granted to zone files. I think all we're doing here is trying to identify we're getting complaints from the community and we're trying to bridge that gap. Is there a dialogue we should be having with other parts of the community as registries? And the other parts of the community, is there a dialogue ICANN can be having with the registries? I think as Jamie said at the beginning, this was just identification of – these are the biggest complaints registry operators receive from the community to ICANN from Compliance, let's talk about it.

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JAMIE HEDLUND: Just to be clear, we came to this as a request for help for dealing with this complaint type. It is not the basis of our conversations with the PSWG or NCUC or anybody else. This is information we got, we put together to see if there was a way to address this area of complaints which happens to be the largest with registries. So there's a desire to work constructively. It's not a desire to go around and share dirty laundry to try to get our way.

DONNA AUSTIN: Okay, understood. You've got a problem you want our help in solving it to the extent that we can. I've got Dirk and then Ken and then I think we'll draw a line under this one.

DIRK KRISCHENOWSKI: Dirk Krischenowski of .berlin and .hamburg. Just to share an observation I made recently last week about the zone files. I stumbled over some websites which were selling zone files of new gTLDs besides ccTLDs and the letter G TLDs. I found this quite weird since we are providing these zone files for free to the community and some parties selling the zone files obviously from that data we are providing to them. I couldn't find out who was it which we approved in the CZDS and then selling our zone files now. But I'm really irritated what we're to do about it and what does it lead to at the end of the day. Should I offer the zone file directly fresh from the registry as an alternative to compete with those providers of zone files or what could we do on it?

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UNIDENTIFIED MALE: Excuse me. I think I misunderstood. I thought I heard someone say that there really is no obligation to provide legitimate data in a request. Is that correct? I could've sworn you said that it isn't really required anyway.

JAMIE HEDLUND: I think what he said was that there's no time requirement. There's no deadline by which the request has to be –

UNIDENTIFIED MALE: Okay. I just want to make sure that there is an obligation to submit legitimate data when requesting a zone file. That's the point. Okay.

DONNA AUSTIN: Jamie or Russ. I don't know, Jonathan, whether you have a response to Dirk.

JONATHAN DENISON: To be honest, I don't have a response for you.

JAMIE HEDLUND: Whoever is doing that is obviously doing that in contravention of the rules and if we could identify that person, we would deny them further access.

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UNIDENTIFIED MALE: Hi, it's [inaudible]. Yeah, Dirk, it's actually part of the Ts and Cs when you sign up to the naming services portal – sorry, I apologize – to the CZDS portal to actually gain access. It does say that you're not supposed to sell this data. This is not meant to be used for resell purposes, so whoever is doing it is actually, as you say, contravening the Ts and Cs that they've actually signed up to.

JONATHAN DENISON: Yeah, I was going to say you could submit something to Compliance at ICANN. We can do what we can to look into it.

DIRK KRISCHENOWSKI: I tried to figure out the right tick box where I could send this and there was no general compliance thing so I can write personally to you.

JONATHAN DENISON: Yeah, we get [compliance@icann.org](mailto:compliance@icann.org). Yeah, everyone will get it there. Thank you.

DONNA AUSTIN: Seb, one last word?

SEBASTIEN DUCOS: Yeah. Just a quick suggestion – actually, I suggested already years ago, I think it was in Marrakech the first time that I've been there – some kind of a rating of the requestor. Recognizing within the community, the people are generally the good guys and we're going to say okay to.

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And by the way, in some way or form, each and individually, we do it by authorizing very, very long-term request. But some way of recognizing that like in social media, something like that, some kind of a rating that says when you're reviewing hundreds of demands, these top tier ones that have been reviewed and positively reviewed via the colleagues within the community are cool to go, and then the more difficult ones and even the rogue ones to get bad credits and be pushed out.

RUSS WEINSTEIN: Seb, thanks. That's an interesting idea and I heard it before, but I know our product manager on CZDS is listening in and taking notes, so we'll consider it. Thanks.

JONATHAN DENISON: Yeah, I don't want to leave you hanging, Jonathan, but –

JONATHAN FROST: Just on that. Just one really quick follow-up since I heard that the CZDS product manager is – I just would like to make a really quick request that the data of the people who submit requests could be downloaded and explored in a more consumable format so that all the data gets put in an Excel sheet and we can have it reviewed without sitting in the portal. Thank you.

DONNA AUSTIN: Okay. Thanks, Jamie.

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JAMIE HEDLUND: Thank you.

DONNA AUSTIN: Compliance folks.

UNIDENTIFIED MALE: We have one more.

DONNA AUSTIN: Oh, one more? Sorry. Jamie has to leave.

JAMIE HEDLUND: Thank you all.

DONNA AUSTIN: Okay. Thanks, Jamie. Is that [you on], Francisco?

RUSS WEINSTEIN: Could we advance the slide to the next topic?

FRANCISCO ARIAS: Hello again. There are a couple of upcoming developments. The first one is in the context of GDPR. There was an internal review in ICANN that identified a few things that need to be changed in order for us to be compliant – “us” meaning the ICANN organization be in compliance with GDPR. One of the things that was identified is that one of the

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obligations the registries have in their contract is to provide [inaudible] registration data to ICANN on a weekly basis and some in a daily basis depending on the Registry Agreement.

The thing is the agreement originally says – I guess technically it still says – that registries have to provide a certain set of fields which are basically the Thin data, no contact data. It allows registries to provide additional data other choice, something like that. Most of the registries were providing full registration data, including all the contacts. Those are Thick, obviously.

Then the Temp Spec came and changed that in order to be compliant with GDPR and said that you must only provide the data that was described which is the Thin data, so no contact data. So there was communication. It was sent to the registries explaining that there was a need to change that and most of the registries have already changed that. They're only providing us with the Thin data. However, there are still a few that are providing contact data to us.

So far, we have not changed the system but we are in the process to change it. My colleague JD is going to talk more about timeline but it's in the next few months, we're going to introduce now validations that are going to reject or are going to flag us an issue, deposit that has issues like the one described in this slide. The first one and perhaps the most important is if you're including information that you're not supposed to include per the temp spec, then we're going to flag that as non-compliant. Then there's going to be the checks on the format of the file [inaudible] describe what is the format that is expected. So

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far we have not been enforcing that, so that would be a change in that regard. There's going to be checks on the elements that are there so that the mandatory elements are present and a few other small things that are there in terms of file naming, checksums, the correct type and similar thing.

There has been already some communication that has been done with the registry that we have identified in the process of doing this development. We have identified already a few registries that have an issue with one of these validations that are listed here. So we have done private communications to them, either my colleagues in GD or Compliance or my team, to alert the registries as we know of those issues. We haven't finalized the development but as soon as we finalize the development, we plan to run the whole set of checks against all the TLDs and do more of those private communications to the registries to alert them of the issues so that you guys have a chance to make changes before the formal validations begin, which is something JD is going to cover. That's the first change that is coming in relation to BRDA. Next slide please.

The other change that is coming is in regards to the SLA monitoring system. So far, the SLA monitoring system has been focused on the emergency thresholds. If you look at the SLA, typically in the Specification 10 of the Registry Agreement, that has, as a matter of fact, two different set of requirements. One is the SLA proper which is about a dozen service level requirements, and there is a second table, I believe in Section 6, which is the Emergency Thresholds. Those are related to the [inaudible] provision.

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When we first implemented the SLA a few years ago, we focused on the emergency thresholds, and that's what is currently implemented there. What we are preparing to release in the next few months is the implementation of five of the dozen or so measurements in the SLA proper that is the Section 2 of Specification 10. We are listing there the parameters of the SLRs that we are intending to start measuring.

If you remember the emergency thresholds are measured on a rolling week basis, while the table in Section 2 which are the ones we are going to start introducing, they are measured on a monthly basis. So the plan here is, every month at the start of the month, we are going to compile the information from the previous month about these five parameters that are in Section 2 of Spec 10 and provide that information to our colleagues in Compliance so that they can do the processing. I leave to JD to explain the [term] on that. Thank you.

JONATHAN DENISON:

It's not a very interesting slide. It's basically just the Compliance approach, so it's pretty much just what we do nowadays. Basically, at least for BRDA, we'll just be getting some extra information from tech services and we'll follow our 5-5-5 process based on the information we get. Of course, prior doing so we would try to confirm with them beforehand that the data we're receiving is valid, then we'll follow-up the contracted parties and resolve them as necessary.

As far as the SLA goes, we're still working on it. Like Francisco said, we're still working on a lot of the development of the business decisions. As far as the content of the communication stuff like that,

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they're not quite built out yet. But that one, as far as I'm aware, is going to be dependent on Compliance's integration to naming services portal. Like he said, it will be like early next year. We have an idea, but you know how things go.

RUSS WEINSTEIN:

Real quick, just to summarize, this is in general. We want to give you a heads up that we're doing additional validations in the future on data you're already providing to us or functions you're already operating and already obligated to provide. So there's no change in requirements from what your contract obligates you to do here. This is just additional automation on our side to be auditing or measuring these things. And so, what it could result for you is new compliance tickets that you're probably not used to seeing if you're not conforming to the requirements of your Registry Agreement. But again, the Registry Agreement requirements have not changed. This is stuff you're currently obligated to do, but one minor exception there I guess would be the temp spec introduction in May of 2018 limiting the amount of data you provide us in the BRDA file.

So I think the call to action here is to go back with your tech teams and review the requirements for BRDA and how you're providing it today and make sure you think you're in conformance with the requirements of the formatting and the items identified in the slide. And likewise, for your DNS performance, go back to Specification 10. Review and make sure you're in conformance with the DNS performance requirements there. Any questions?

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DONNA AUSTIN: Thanks, Russ. I don't know. Why now? Why is this coming into play now?

RUSS WEINSTEIN: I think, largely, this is our backlog of things since we implemented the Registry Agreement in 2013 and as we worked to be able to scale ICANN better, we're investing more on automation so that we can start adding bodies to do checks on DNS performance, we're adding tools and automation to do it, anything similar. No big secret.

Thanks, Francisco. Thanks, JD. Okay, we can go to the next slide. We're going to switch gears a little bit now from more of a compliance-focused, more of our usual engagement as GDD.

I thought it would be helpful to reset. Thinking about the last year in GDD has been a transformational one, I guess we could say, so I wanted to remind you all of how GDD is structured today and how the Accounts and Services team is structured. Just so you know who you're working with, what are different areas of responsibility are. And hopefully it just continues to create this collaborative relationship that we seek to have with you and I believe we currently have with you.

First off, we have a lot of GDD colleagues in the room today. Maybe we could all stand up. Raise your hand.

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UNIDENTIFIED FEMALE: Please note that a bunch of them are already standing in the background. Hi, guys. Good to see you.

RUSS WEINSTEIN: Thanks. So they're all friendly people – exception of couple maybe. Stop by, say hello, introduce yourself. It's great to put faces to names on a lot of these folks you interact with in a variety of ways but never really get the opportunity to put faces to names. It always adds to interaction when you have that. So please go ahead and take the opportunity to do that.

I think we presented a similar slide at the GDD Summit but I just wanted to remind you all. Cyrus is our Senior Vice President of the Global Domains Division.

I'm responsible for the Accounts and Services. That's a fairly newly created role where we combined the Registry and Registrar Service and Engagement teams into one team. The reason for doing – I'll explain that in the next slide.

Christine Willett is our Vice President of Operations.

Francisco Arias, you know and love, is our Director of Technical Services.

Karen Lentz, long-time ICANN staff, responsible for Operations and Policy Research.

Sarmad Hussain is our IDN and Universal Acceptance leader. He's in the back of the room right now hiding in plain sight.

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Next slide.

My team, the Accounts and Services team, as I mentioned, is a newly created team. After the Kobe meeting, we decided to go with this alignment where historically we had kept the registry liaison and services roles apart from the registrar liaison and service roles. We're always thinking about how different the contracts were in providing different experiences for registries and registrars. And overtime as we've learned more, we thought it might provide better synergy and better experience both for the ICANN team and for the contracted parties to combine that into one team so that the team I'm responsible for is better equipped, understand the market because we're seeing both sides of the equation from registry and registrar. So we're in the phase of transition now where we have people very much more specialized on the registrar side or much more specialized on the registry side and trying to build that depth of knowledge so that we can cover both sides of the equation and provide, hopefully, better solutions. One thing we hear from you in past surveys was a lack of understanding of the market and that resonated in the way we implemented policies or design rules or that sort of thing. So this is one of our attempts to get better at that is by bringing together the knowledge of folks who really understand the registrar market and really understand the registry market and put them together on the same team and responsible for both sides. That's one of the attempts here.

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The way we're organized is we have leaders of Program Implementation and that's Dennis Chang and Karla Hakansson. It's her up here.

We have our Accounts Management team led by Andee Hill. That's your Engagement Managers we're now calling Account Managers as we try and better differentiate between what Sally Costerton's Global Stakeholder Engagement team does from what the GDD Engagement or Account Management which is responsible for the registries and registrars.

Then we have our gTLD Services led by Amanda Fessenden. She's here – there she is way in the back. That's the team that's responsible for being heavy-deep subject matter experts in both the contract and policy and teasing out if the contract says this is how you need to submit to ICANN to assign your TLD to someone else, defining those rule sets and working with the Operations team so that we can provide scalable solution so we can handle those transactions within the time required in the agreement at scale. Like I said, we're serving 1200 registries and 2000-plus registrars. That's the role of that team.

Any questions on team structure? I just wanted to reintroduce this since this is the first time we've all been together since we've made these changes.

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BETH BACON: Russ, I don't actually have a question but I just wanted to say a big thank you to your team because they're fantastic. Thanks, guys. And I paid those four people to clap.

RUSS WEINSTEIN: Thanks, Beth. Thanks to all of you. We're working hard trying to do the best we can for you. Next. Andee is going to talk about the GDD Summit.

ANDEE HILL: It's here again. We are holding the summit in May and we're getting so many complaints about going to Paris in May, so sorry for that, everyone. We are going to have a very similar set up as we did last year with the additional events following. One thing to note, because of the time crunch we had in moving all of these events and the location we're looking at, we're actually moving it a day earlier so that the reception will be on the Sunday night rather than the Monday. So we are looking at the third through the sixth for the summit portion with the events following. Board is meeting before that – before the summit – so we hope to have them in attendance of some nature.

We will be starting to plan the summit agenda. We're planning maybe about two weeks to start to do that once everyone is settled. So there's plenty of people that have already joined. There's the last year's group of people, but if you are interested in joining and either didn't indicate so in the survey from this year or were not already on

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the planning event, please go ahead and e-mail Global Support or myself and I'll get you on the list.

Nothing else to really indicate. We are looking at the summit survey and we're going to take into account when we're planning this year to make sure that we're looking at the reviews that we're given and to try to maybe narrow down some of the events. We do have three rooms again but that doesn't mean we need to fill them all the time. We know that the technical discussions and the business discussions need to have some way of really coming together and having some resolution when we walk out of those doors at the end of this event.

Then also I just note that we're looking for 2021 event locations and we are exploring the Los Angeles area. Does anybody have any questions on that? Next slide. Is everybody upset about Paris and Los Angeles?

I just wanted to give you an update on the ITI progress. The ITI project is actually the new website. It's a big project. Our current site is wonderful, so everyone enjoys it. There are just some stats on as far as the undertaking of gathering all of this data, so there is not a lot of formatting or a lot of indexing on the current pages as we all are very well aware of. It's hard to find things. They're not always organized correctly. Search features aren't great. So, it's a big undertaking. We're going to get this project out. We do have some Registry Agreement section. There's an area that you can give us some feedback on. We actually extended the feedback time period so that we could coordinate with calling it out to action here at this event today. We'll

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end around the end of the week. So if you have time, please search it. Look for items, look for Registry Agreement, things that you might normally look for, and if something is not working or you think the feature is set up incorrectly, please give us some feedback and let us know. Next slide.

This is the timeline of when you can expect what. We are planning this. The Registry Agreement section as I said is out now. We expect to have something like a soft launch around April and then we will expect to have the whole new ICANN site with the old ICANN site retired in around September of next year. So it's an aggressive project, a lot of pages, again looking for your feedback.

RUSS WEINSTEIN:

Thanks, Andee. I just want to add on this one, it will be a pretty different user experience than the current site, which I'm sure we'll get feedback and frustration for but in totality, I think everyone agrees it's the right thing to do from the current user experience. But it will take some adjust time I think for all of us to figure out how to get to the right content. Hopefully it's a better user journey to do that but it's really important that if you're currently fairly heavy users of this that you do participate in these feedback opportunities and get comfortable with the way things are organized. And we're going to have a different user experience for getting into what information contracted parties need and get out to registry and registrar resources hopefully more effectively than we do today.

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UNIDENTIFIED FEMALE: I've been representing us in some of the face-to-face feedback sessions that the ITI group has been running both at Kobe and here. I just want to pass along, none of the content is going away. One of the reasons this is taking so long is that there's so much content on ICANN.org. It's just all about better ways to navigate through it. I did e-mail you guys about this, specifically the opportunity I think to provide feedback on the RA page. A lot of these testing sites are live and they're looking for feedback that you just submit online. So if there's something you're interested in, there's plenty of opportunities for you to weigh in individually.

ANDEE HILL: Thank you. Also, we are looking at reorganizing the site so that it's focused on who's actually looking for the content so the audience that is actually on the site, rather than right now where a lot of it is depending on the department that's putting in the information out there within ICANN, which we're looking at you as the end user of focusing that and arranging the information around that.

RUSS WEINSTEIN: Okay, next slide unless there's any other feedback/questions.

KARLA HAKANSSON: Hi, everyone. I just wanted to give you an update regarding the RA and RAA amendment to include RDAP. On the 21 of October, we had sent out the formal negotiation notice letter to Donna and to Graham to officially kick off a 90-day discussion period around the amendment

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for the RA and the RAA. Subsequent to that, we had sent out a letter to all registry operators and registrars about the amendment. So you should've received a notification about this and what was going to be happening and what the focus would be on.

The amendment process, this is going to be a really interesting time because this is the first time that we've had the RA and the RAA amended in parallel. So it's going to be a bit complex to work through, but we do have a very aligned focus in terms of having this really solely on the changes to implement RDAP and to transition from WHOIS. So there isn't other scope creep that would be coming into this except for RDAP, so our hope and our intent is to be efficient and very effective with the conversations that we're having. Donna and Graham have already set up, I believe. We've communicated about this, a formal discussion group. The plan is to have a combined discussion group around the amendment with both Registry Stakeholder Group and Registrars Stakeholder Group and then bifurcate as soon as we get into some more of the very specific elements of each agreement, but it's meant to be an aligned conversation.

The timeline that is up here is actually moved a little bit already. This is an optimistic timeline. There are a lot of pieces that need to go into place in order to make this amendment possible. So while you think, "Wow, it would be great if we could just make it happen in the next six months," not only do we have the discussion periods to go through, we have the public comment period. Once the public comments come back and that period is over then we need to make sure that the proposed amendment that's been put out for public comment, the

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comments can be addressed and this will not be done just by staff but this will be something that will be a coordinated and collaborative effort with the discussion group.

From there, we have a voting period that is somewhat complex effort to put in place for everyone to vote on. So we want to make sure that as we're communicating all of the updates relative to the amendment process, make sure that you're paying attention to that and I'm sure that Donna will be communicating this as the process moves forward.

Once all of this is in place, then we need to obviously put it before the Board. Our timeline right now puts it to the September workshop, September 2020. Then assuming that it goes through at that point in time, which I'm a little nervous that it may actually slip to November, there's the 60-day period before the effective amendment date, and then we have the 180 days following that to implement those changes.

So, it is a lot of work to happen over the course of the next year, but we've had great cooperation so far and I think that it's going to be a good conversation to have. One thing to make sure that everyone is aware of is that – and I know you know this – but WHOIS has been out there for a really long time and it is going to take time for the community and users of WHOIS to transition to RDAP this new technology. It's not something that we expect to have happen overnight. We are already working on a communications plan to try to make sure that everyone is aware, all audiences and users of WHOIS. So we'll be updating you the discussion group in terms of how we'll be

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managing these communications, and I think this is a collective effort that we could all work towards as well.

Any questions? Yup?

UNIDENTIFIED MALE: [Inaudible]?

KARLA HAKANSSON: Yeah. That's the plan.

DONNA AUSTIN: Thanks, Karla. As Karla said, we will have – I envisage it as a primary team and a secondary team, so it won't be dissimilar from the setup that I think we have on the EPDP at the moment, but we still have to finalize that arrangement. But the intent is that we'll have our first conversation about the changes themselves in about two weeks' time I think is what we agreed yesterday, so we will need to schedule something maybe for next week for that first discussion of those that are interested in following this process. Rick Wilhelm has graciously put his hand up to be the point of contact on this, which doesn't mean he's the director or negotiator but he's kind of our logistics. And if Karla and Russ need to push something through then Rick is the touch point for that.

So if you're on the mailing list, you'll probably get a mail from us next week to try to sort out the time that we can all meet. If you want to be on the mailing list, send a note to Sue. Thanks, Karla.

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KARLA HAKANSSON: One more quick thing. I also say we've got a summary of the amendment that we're going to be updating and sending out prior to hopefully your discussion next week, so you'll all have a chance to review that and weigh in on that so it's not something that you're just going off and looking for your own view. You're going to have some information to work from.

RUSS WEINSTEIN: Okay. Now we're coming up on our time I think because you need to get to the Finance team. I'm sort of going over the remaining slides, there's a couple of slides in there about policy implementation that's underway. I think your group has done a fantastic job of staying engaged on the EPDP Phase 1 implementation, so I don't think we have to go over that too much other than thank you for the support.

There is a policy implementation open for public comment now if we go to maybe the two or three slides down. The Red Cross one. That one just got out for public comment a week or so ago. Take a look through that, it's essentially the change in policy is a change to the reserved names list. It adds a significant number of names, over 7000 DNS labels, so please go through, comb through that with a fine-toothed comb. Make sure you agree with all of them and are ready to implement. The idea for that though is in February we'll issue the formal publication and noticed all the registries with an implementation no later than August 1, so something to get on your Tech team's radars for that. Let's go to the next one.

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Then the last one was just a plug here on meeting to get back in conversation, hopefully to close out the PICDRP updates that we've been talking about as a group. I think we're real close on that one and just trying to put a [inaudible] plug to nudge that along. Hopefully we can do that for the end of the year.

Then last, I wanted to just say thank you for those who – hopefully you all know – but Donna and Graham from the Registrars Stakeholder Group had the opportunity to brief the Board on Saturday evening during their workshop about there's an opportunity for education, we've had a lot of [inaudible] turnover and they both did a fantastic job of presenting the registry and registrar landscapes. They got good feedback from that and I just want to thank you for doing that, I think it's really important and I think they do too. So, I wanted to put that in.

Alright, Xavier, I want to let you and your team have the opportunity. So if there's no other questions for us –

DONNA AUSTIN:

Thanks, Russ, Karla, Andee, the rest of the team. And on the presentation that I made to the Board, I should've thanked all those that contributed to that presentation because I think we ended up with something that was in pretty good shape. So, thank you to everyone that contributed.

BECKY NASH:

Great. Thank you very much. Hello, everybody. This is Becky Nash from ICANN Org Finance, and I'm here with my colleague Shani

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Quidwai. We're going to give a short update on ICANN org's financials. On this slide here you can just see our team overall. I know that Xavier Calvez is actually in the room here, so any questions that you have for him directly, I'm sure he'll be able to respond. With that, if we could just go to the next slide.

The agenda that we have is a look at the highlights of the FY19 or fiscal year financial results. We have topics included such as the reserved fund replenishment strategy and the status update, and then the planning process overview, and then the FY21 Operating Plan and Budget process along with the Five-Year Operating Plan and Financial Plan process, and then some Q&A. We know that time is limited for your group, so we will ask that you hold questions until the end. We'll try to go as quickly as possible so that we can spend a little more time on the planning process. Next slide please. I don't know if that's me. Oh, there we go.

Just a quick highlight that on Wednesday here at ICANN66 at 1:30 PM, we do have a planning and finance session going into the details of the FY21 Annual Operating Plan and Budget and the Five-Year Operating Plan and Financial Plan. We apologize in advance for any conflicts that members may have, but we'd like to advertise the session for those that don't have conflicts. Next slide please.

I would just like to highlight that for part of our mission of financial accountability, ICANN org does publish several reports throughout the year and then annually. So these are financial reports that are available on the ICANN org website under the financial pages. Some of

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the ones that I'll just highlight, throughout the year we do have unaudited quarterly financials which give a year-to-date view of ICANN org's financials throughout the year. That's a very good place to get an update on the financials throughout the year.

Then annually, on the right-hand side, we do publish several important reports such as our annual audited financial statements, which include the Independent External Auditor's Report. We have the ICANN Org Annual Report, which was just published along with the Board Expenses, and several other reports such as the Funding by Source. The checkmarks indicate that those are annual reports that have just been published. Next slide. And on to the next slide.

We're now going to cover the financial highlights for FY19. ICANN's annual fiscal year runs from July 1 through June 30. So our June 30, 2019 highlights reflect that ICANN organization's operations funding was \$3 million higher than the same period last year, which is FY18. So actual funding of \$136 million was \$3 million higher than last year and \$1 million lower than our budget for FY19. So the \$1 million lower was primarily due to the fact that we had anticipated a higher rate of growth in registrations for TLDs and we did have some funding budgeted for the privacy proxy program which did not take place in FY19. Again, that is our actual funding of \$136 million.

For the expenses, as a highlight, ICANN org was successful in managing the FY19 expenses of \$130 million, which came in \$1 million lower than the 12 months for the same time last year of FY18 and \$8 million lower than the budgeted expenses. So expenses for FY19 were

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lower than budget primarily due to lower than planned headcount. We have some comments on the next slide, which we'll talk about that.

This slide here is the FY18 expenses in more detail by cost category. On this slide, we have cash expenses in the column on the far left of \$130 million as compared to the budget of \$137 million. The variance there of nearly \$8 million is primarily due to the first cost category or personnel where you can see that we have \$72.3 million as compared to the budget of 76.5, so a variance there of \$4 million.

So, personnel expenses were lower than budget driven by open budgeted positions. The end of period headcount for FY19 was 36 positions lower than the budgeted headcount. The average headcount throughout the period was 32 headcount lower than budget. This is just primarily due to the timing of work and the timing of hiring positions for the work that was planned.

The next category providing the lower expenses than budget was the travel and meetings, and that was \$0.6 million lower than the budget. That was primarily driven by lower cost for ICANN63 and ICANN64, and that was just related to the expected travel and meetings cost for those two locations.

Professional services were lower by \$1.7 million than budget and that was really a favorability across many different functions for professional services for expert consultancy, other types of professional services like fee – legal and other costs like that. If we could go to the next slide.

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UNIDENTIFIED MALE: A quick question on headcount – what is the current number?

BECKY NASH: The current number is approximately 395, I believe, at this point.

UNIDENTIFIED MALE: Give or take.

BECKY NASH: Yeah.

UNIDENTIFIED MALE: Thanks.

BECKY NASH: Actually, this slide here gives a trend not through this particular quarter end but also this gives a trend from FY16 all the way through to FY19, which would have been the June 30<sup>th</sup> period compared to the budget. So really, you can see that headcount has been growing very moderately and in fact has dipped over the FY17 period, but as we budget for the work that's approved to be performed, we do have a higher budget in FY19. However, in FY20, our budget is 410 positions. Next slide please.

On this slide here, we're highlighting our funds under management where at the end of FY19 funds under management in total increased

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by \$9 million. On the right-hand side are all of the funds added together at June 30, '19 as compared to the year earlier, June 30, '18.

On the left-hand side of the slide, we have the various components of the funds under management where we have the auction proceeds, the new gTLD application fees that were collected up front as part of the 2012 program, and then we have the ICANN Reserve Fund, and then on the far right we have the Operating Fund. We would just like to highlight that the Reserve Fund has increased during FY19 as part of the ICANN Board-approved Reserve Fund replenishment strategy. That was, as a result, we have had transfers from the Operating Fund. And in addition, there was a transfer from the Auction Proceeds Fund. As a result, the auction proceeds have decreased there. If we could go to the next slide.

On this slide, we just have highlights of the Reserve Fund replenishment strategy. Just highlighting that this is a crucial component in ensuring ICANN's long-term financial accountability, stability, and sustainability. As many of you know, the Reserve Fund was depleted in recent years to cover exceptional expenses incurred primarily due to the IANA stewardship transition. So, late last year, calendar year, ICANN org made a recommendation to the ICANN Board to develop a strategy to replenish the Reserve Fund. That was something that was put out for public comment and the Board of ICANN did approve an eight-year plan to replenish the Reserve Fund to ensure that the ICANN Reserve Fund reaches at least equal to one year of future operating expenses. That is again part of ensuring ICANN's long-term financial accountability and stability.

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The balance of the Reserve Fund on June 30, 2019 was \$116 million as we saw on the prior slide, and ICANN org plans to continue to recommend to the ICANN Board that the Reserve Fund receive a replenishment on an annual basis. We have started over the last years to start budgeting for a planned contribution. We see that in the FY20 budget and we anticipate to see that in the Draft FY21 Operating Plan and Budget that will be posted for public comment in December. Next slide please. Go ahead please.

UNIDENTIFIED MALE: Is the principal source of replenishment coming from surplus operating revenues or are you still relying on the auction proceeds for replenishment over the next two or three years?

BECKY NASH: Thank you very much for your question. The projection is coming from the excess between funding or revenue less expenses, meaning that ICANN org is looking at ensuring that we have operating excess to replenish to the Reserve Fund. There are no other planned at this time or approved transfers from the auction proceeds.

UNIDENTIFIED MALE: Thank you.

BECKY NASH: You're welcome. Again, on this topic, this just gives you a view of the historical and projected balance where ICANN is striving to achieve

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this eight-year replenishment strategy. Here we're highlighting that there are projections included in the FY20 Operating Plan and Budget and we expect also for the Draft FY21 to have a projection for a planned contribution. Next slide please.

Now I'm going to ask Shani to cover the planning process. Thank you.

SHANI QUIDWAI:

Thank you, Becky. In this section I'm going to just give an overview on the FY21 budget along with the five-year plan. We are going to go through this in more detail tomorrow, but we wanted to give you a high-level overview of the process in some of the documents that will be available for public comment.

We will have a five-year operating plan and financial plan, a one-year budget, and then this will be for ICANN operations as well as the IANA functions. One of the items that we wanted to highlight here is that we do track our progress against the budget and we post quarterly updates on our website on how we're trending against that. So, that is something that's available. If you can move to the next slide.

One of the key items that we wanted to highlight here was the similarities and the differences between the FY21 Operating Plan and Budget and the FY21-25 Five-Year Plan. Both of these documents describe the structure, the work of the organization. The key difference is really that the FY21 will be more detailed and give specific information around projects, specific milestones, whereas the Five-Year Plan, due to the length and some of the uncertainty and around

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timing and phasing and things of that nature, will be more high-level in nature. If you could move to the next slide.

Here are just important dates that we want to highlight. There was a public comment that has already closed and finalized for the five-year plan. We are in the process of developing the draft materials to review those with the Board in the month of November with the goal of posting the documents for public comment in early to mid-December.

One item that's not included on this slide is that we plan to have webinars early to mid-January to go over those documents in greater detail so that people have better background and can ask some questions before they submit public comments. Public comment window will end in February and then from there we will incorporate those public comments, consult at ICANN67, and make any recommended changes to the draft documents with the goal of having the budget and the five-year plan adopted by the Board in May. This timeframe is very similar to what we had for Fiscal Year '20. If we can move to the next slide.

Here are just some dates for the IANA budget process. The IANA budget process kicks off a little earlier. We are already in the public comment window for the IANA draft budget that opened on 14<sup>th</sup> of October and will end on the 27<sup>th</sup> of November. All of this with an anticipated Board approval of mid-January of the budget. Next slide please.

Here are just some high-level dates that we wanted to communicate for the additional budget request process. This process is running very

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similar to last year. All of the dates are relatively the same also with the submission period opening 11<sup>th</sup> of November shortly after this meeting and closing on the 31<sup>st</sup> of January. We plan to have consultations at ICANN67 and expect to notify the SOs and ACs of the approvals in early May when the Board has adopted the budget. Yes?

DONNA AUSTIN:

Just on this one. I always get a little bit confused about the scope and what we can – we do kind of a cookie cutter or what we applied for last year will apply for this year. Is there any guidance you can give us? I don't know. What's a reasonable request or why you're rejecting requests or what your process is? Just to give us a little bit more information and set our expectations on what we put forward.

BECKY NASH:

Thank you for your question. I'll take that one. So as part of the additional budget request, we do put on our Finance wiki page and we e-mail out guidelines that provide the guiding principles. The guiding principles do highlight that these requests are to be in line with the mission of ICANN and also they are for ICANN-funded events, if there are any requests that are outside of any other funded traveler requests. Then with discussion with the teams that support you in policy, then there would possibly be other types of requests, documents, or other types of assistance that are needed but all need to be part of the guiding principles. I hope that helps.

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Perhaps maybe this year, a run through of the guiding principles again. I can imagine with the amount of workload that you have, the cookie cutter approach, we understand what that means with your workload, but maybe a quick review, which we would be happy to do along with the Policy Support team, we could ensure that those are specifically reviewed.

SHANI QUIDWAI:

If we could move to the next section. Here in closing, we just have a few slides highlighting some of the trends and assumptions that are going into the plan. As you can see here, ICANN funding has stabilized and is growing at a very moderate rate over the last few years, we have seen growth of less than 1%.

Moving to the next slide, you can see that we are projecting very similar growth over the next five-year horizon, a growth rate of 1.5%. This growth rate directly impacts the amount of resources that the organization has available to handle all of the workload, so there's a direct impact into the budget into the five-year plan.

Moving to the next slide, we discussed this a little bit. Just another reminder that as the funding growth has moderated, we have also seen the same with our headcount and that we were growing dating back in FY15, FY16-17. However, we have seen some modest declines over the last few years and we do expect headcount to remain relatively stable throughout the five-year period. If you could move to the next slide.

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Here are just some of the assumptions that also go into the budget. The budget does not include any budget for Board decisions that have not yet taken place. We are only planning for Board-approved work. We do acknowledge that there will be Board decisions made in the future that will impact our work and we do set aside funds and contingency funding for unplanned work. Budget does exist but there will be no specific call out for work that we speculate will be approved in the future.

As we did mention, there is a contribution to the Reserve Fund plan annually. That is a key difference in our planning now, whereas we have been making contributions to the Reserve Fund over the last few years. However, those were not planned or earmarked in the budget. The budget will be balanced with the exception of the Reserve Fund. So, that is a change where historically we had budgeted for the same amount of expenses as our funding. We are now budgeting for an amount slightly lower to include that contribution. With that, we wanted to open it up for Q&A.

DONNA AUSTIN: You have a question, Xavier, for your team?

XAVIER CALVEZ: No, I have a comment and a call for action. Because since the last time that the Registry Stakeholder Group was able to produce comments on the budget, it was a little while, and I know you're all very busy, but you can't leave it to Paul Diaz and Jonathan Robinson all the time to

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produce the comments for their Registry Stakeholder Group. We hope that you will be able to spend a little bit of time in the upcoming documents that are really important because it's the next five years strategy and what we're going to do to support that strategy that is coming up in December.

There is going to be a lot of information, but we hope that you'll have a chance to dedicate a little bit of time to produce comments. It's very important. You guys represent 70% of ICANN's funding, if that's just the only reason why you would want to do it, that's a good one. There's the Empowered Community that is also reviewing the budget and has a power of rejection of this strategic plan and budget, but it needs to be on the basis of comments submitted during the public comment period. If you don't submit public comments, you don't have an opportunity for rejection. You want to exercise that power if you want to. So it's important that you can participate to the process of public comment. It's how the ICANN accountability happens and that's what you provide in that effort. I recognize you're all very busy, but if there's a little bit of time that can be spared for it, that'll be great. Thank you.

DONNA AUSTIN: Jonathan?

JONATHAN ROBINSON: Thanks very much for the presentation. One thought that occurs, one question really, is about the forecasting the 1.5% growth rate. I think

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you do something a little bit more sophisticated behind that other than just say we don't expect much growth. I think you go and presumably you analyze whatever public data you can about our businesses and do various things. It might be worth just giving a couple of comments about how you've come to that, how you've made that projection.

SHANI QUIDWAI:

Mukesh from our GDD team is actually the key member responsible for forecasting this and he can comment further. This is our base case scenario. We do have multiple scenarios. There is a low case scenario and a high case scenario where he projects different dynamics within the market and some of the assumptions. Xavier has some more feedback.

XAVIER CALVEZ:

Just advertising the session tomorrow that we have that Becky mentioned earlier because we're going to go in details about exactly the assumptions that Jonathan is asking about. We've done that a few times. Jonathan was a good participant to that. If you're not conflicted tomorrow, you'll have the details of the assumptions that have gone into the five-year projections. It's the first time we do and publish five-year projections of funding, so we very much welcome your feedback on those. Mukesh who's here, has worked hard to produce those and we would very much welcome the contribution of the registries in looking at those projections because you guys are the experts. Thank you.

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JONATHAN ROBINSON: Thanks, Xavier. I'm sure the GAC will understand why I don't attend their session on DNS abuse in that case.

RUBENS KUHL: If the funding projection suggest that the growth will be less than inflation, does that mean that you are already forecasting [cutting] activities and costs to compensate for that?

BECKY NASH: Thank you for your question. As part of the public comment that we put out on the Five-Year Operating Plan and Budget where we had the five-year funding projections, we also provided the expenses available for activities. So in order to maintain a balanced budget of expenses plus a planned contribution, prioritization of work that is done by year will need to take place because we do have the responsibility of having it be balanced.

UNIDENTIFIED MALE: Thanks, Donna, and thanks, Becky. I think Rubens just asked my question and that was about the relation to the inflation and the growth being projected below inflation. Was that the question that you just asked? Okay, thanks. I just wanted to understand the impact. Thank you.

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BECKY NASH: Well, thank you very much for are letting us come as the Finance team and we're always available at planning and ICANN.org for any questions. We encourage anybody that can to come to the session tomorrow. Thank you.

DONNA AUSTIN: Thanks very much, Becky, Shani, and Xavier. We have about 20 minutes before we have to wrap up and then get to the Registrar's room at 3:15 which is 517C, which I guess is back that way. So we have Martin.

MARTIN SUTTON: Martin Sutton. I'm happy to provide an update on the Work Track 5 we had earlier I think during the meeting that there was some good conclusions to that piece of work which generated a bunch of calls and debates over the past two years, leading up to ICANN66 Work Track 5, which is focused solely on the geographic terms of top level, concluded its work with a final report that was put out to a consensus call. We did achieve consensus amongst the group which represented a broad coverage of the ICANN community where we had good engagement from ALAC, from GAC members, from GNSO, and – who have I missed? And another.

In terms of the way that it was set up with the co-leads coming from the four different SOs and ACs, I think resulted thankfully in a peaceful end to the two-year effort. There wasn't too much feedback from the working group when the report was delivered on Saturday to the

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plenary, and the comments that were received at that stage were largely positive and I think reflected the goodwill of the members that certainly was formed over probably the latter six months of the process. I think it did highlight the fact that there does need to be some more efforts that way where we can combine the different groups. It's interesting how different alliances are formed across those different groups. Everyone I think experienced differences within their own SOs and ACs and that was reflected very clearly in the Work Track 5 debates. So I think there was some value out of that process and some opportunities going forward to exploit from that experience.

In terms of where that goes now, that is now with the working group. It will be fed into the overall final report and that will then go for consensus calls amongst the plenary. I'll stop there for Work Track 5. I don't know if Jeff here to do an update on the full working group.

JEFF NEUMAN:

Work Track 5 in particular because of the impact of the work on the GeoTLDs. Obviously, it's our bread and butter or the result of it would have been our future bread and butter. I think that there is – they might be from people coming in from the outside – an assumption that we went a whole big circle and arrived back where we were. First of all, thank you very much for the work done. Thank you for arriving to that result. Having followed it albeit with [Catherine] fronting it from my end. We've seen the work, the thoroughness of going into the details of re-looking at everything. It was 10 years ago when it was last looked at. Well worth the effort. Thank you very much for it.

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DONNA AUSTIN: Yeah, I agree. It's now hopefully on its way to becoming policy rather than just something that ended up in the guidebook. I think it's a job well done. I know that when that effort started, I was concerned that maybe it would slow down the overall SubPro work, but you finished way ahead of the rest of what's going on in that group, so well done in the team.

PDP IRT update?

MATTHEW CROSSMAN: Hi, it's Matthew Crossman for the record. I'll do the EPDP briefly. We've had a good couple days here, a busy couple days working through some substantive topics. I think we made some good progress on some accreditation proposals and what the framework for that might look like. Also did some good work on the query policy. Some good progress made over several sessions that have already occurred. I think I would flag for the group that we're seeing an increasing recognition among not just the registries and registrars but actually amongst the entire EPDP team. We're getting to the stage where a lot of the work is dependent on both the answers that we get now from the Strawberry team's work with their letter to the EDPB, but then also the letter that that the EPDP sent to the ICANN Board asking for some clarification on the role and responsibilities that they're willing to take on.

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We're kind of starting to work through that and figure out how we want to prioritize the work that we're doing so that we don't have to perhaps do a bunch of work and then make a left turn when we get a response that's different than what was expected. Just to be clear as well, I think, we as the Registry representatives, we certainly support the Strawberry team's work. We think that, obviously, any clarity that we can get from the European Data Protection Board would be helpful in our efforts, if they were able to tell us that there is a way to shift liability fully away from contracted parties, I think we would all welcome that. I think where we may diverge, though, from other groups is that what we anticipate the advice actually coming back as. But to be clear, we do support that work and if we can get some clarity, I think that'd be a really great thing.

I think those are really the main points from this week. Anything else to add, Alan? Marc? None? Thanks.

DONNA AUSTIN:

Thanks, Matt and Alan and Marc and the rest of the team has been in the room over the last couple of days. Beth, do you have an IRT update for us?

BETH BACON:

Thanks very much. Just to jump on the end of Matt's update, we've talked a little bit about the roles and responsibilities, small group that registries and registrars have been working through. We are going to meet this week and we've been trying to make some progress and it's

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been a very collaborative and cooperative group with ICANN staff and they're doing their darndest to move us along a little bit. So, I'm happy to provide an update on our next stakeholder group call as to how what we talked about and how that goes. We've been keeping the EPDP team in the loop.

As for IRT, we are moving along. We do have the six-month extension request into the GNSO. That's primarily just because we have 28 recommendations and it's quite a lot to slog through. We need to make sure that we keep time in the schedule for public comment and response. As I imagine, there will be some comments. We did get from staff this week our first full draft of the consensus policy. That doesn't mean we're finished, it means that we now just have a full text to look at. Staff has, again, been really plugging along on that and we appreciate it very much. But we do still have a lot to address in the policies just by way of finalizing things and making sure that all of the edits from our previous work have been captured. We will meet, if you have any interest, tomorrow and Thursday for the IRT. Thanks.

DONNA AUSTIN: Thanks, Beth. Alan did ... Marc?

MARC ANDERSON: Thanks, Donna. Marc Anderson for the transcript. I do want to add something to that update. There's been a little bit of frustration over the pace. I think Matt was touching on the fact that it's difficult for us to move forward without some additional input items. One of the

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things we've talked about with some of our colleagues, including in the BC and IPC, is what we can do to bridge the gap. One of the things that came out of that discussion is that Rec 18 is the proposal that contains improved disclosure request language, improved on what was in the original temporary specification language.

What we're going to do at the IRT meeting tomorrow is we're going to propose pulling out Recommendation 18 and essentially expediting that recommendation only. Rather than have an entire omnibus, all 20 recommendations in one policy, we're going to propose taking Recommendation 18 out, having that as standalone policy that can be expedited and sent out as quickly as possible as sort of a way to show good faith and bridge some of the frustrations that we're hearing about in the community over the current situation with disclosure requests.

I want to give everybody a heads up. That's sort of a new development that's come about and we're going to propose it at the IRT meeting tomorrow morning.

DONNA AUSTIN: Thanks, Marc. Keith?

KEITH DRAZEK: Thanks, Donna. This is just an observation that some of the work that's coming out of the IRT from Phase 1 has some potential impacts on other existing GNSO consensus policies in terms of some of the language and the way that it's been approached. And the GNSO

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Council is still going through our process or really just initiating our process of the review of those other existing policies and procedures. Marc will correct me if I'm wrong here, if I get any of the details wrong, but we know that the Board flagged the Thick WHOIS consensus policy as one that needed to be explicitly acted upon by the GNSO Council to essentially replace it with the new EPDP recommendations and consensus policy. But there are some others, including I think UDRP and URS – Marc, feel free to jump in – but there are a couple others where the language that has been proposed by ICANN org and the IRT actually has potential changes to those existing consensus policies.

I think we just need to be very careful about how we approach these and are we treating things apples to apples or apples to oranges in terms of the process and the procedures that we follow for making changes to consensus policy. In other words, is it something that a new consensus policy automatically replaces through the implementation phase or does the council need to take some sort of explicit action to affirm or approve that replacement? I think what we're seeing here is maybe a different approach in these two different areas. I just wanted to flag that for the stakeholder group as we approach this and as the council that goes through this review. Marc, is there anything you want to add to that?

MARC ANDERSON:

No, I think you covered it nicely. URS and UDRP both have proposals in them that explicitly changed the language of an existing policy, which to my knowledge is not something that's been done before. We've not

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had one policy or one ... the results of one consensus policy explicitly changed the recommendations in a previous consensus policy. So we're in uncharted territory here. It's not something that's ever really contemplated by the consensus policy process. I think Keith is right to just sort of raise his hand and say, "Are we doing the right thing? What role should the GNSO Council have as the stewards of the policy development process?"

KEITH DRAZEK:

Thanks. Thanks, Marc. Just again, to flag this for everybody, there's a dozen, probably, existing policies or maybe a subset of a dozen, there's policies and procedures that are impacted by EPDP Phase 1 recs. If we're going to make a decision about how to approach that, we're essentially setting some sort of precedent in terms of the role of the council in saying, "Okay, yes, ICANN org through the IRT, whatever you say gets accepted and replaces what came before in a consensus policy." Or, in my view, I'm thinking perhaps the council needs to have a role in saying, "Yes, you got it right," or affirming, "Yes, this is appropriate for replacing a previous consensus policy." I think we just need to be careful and thoughtful about this. I think to the extent, we identify this as a concern or an issue but I think the councilors will bring it back to this group. I just wanted to flag that.

DONNA AUSTIN:

So, what do we need to do to get the outcome that we want? I think that's the question, isn't it?

KEITH DRAZEK:

Yeah. Thanks, Donna. I believe that this issue has been flagged for ICANN org within the IRT. Marc's on a note basically saying – just acknowledging and putting on notice that we've identified this as a concern and it's something that council needs to talk about, I think, in terms of next steps. Do we feel like we as the GNSO Council in reviewing the bylaws and our operating procedures have a role in essentially affirming or confirming that the implementation language coming out of the Implementation Review Team effectively is okay to replace another existing consensus policy? I think there's a recognition at the council level and we're talking about this even with the IGO protections, as an example, is that new consensus policies can certainly replace old consensus policies.

But when you have a consensus policy like the EPDP and the recommendations there, it impacts multiple other consensus policies. The question is, are we okay allowing that to happen without the council's approval? Essentially, if you had a consensus policy on Thick WHOIS and you were wanting to change that policy and you ran another PDP just on Thick WHOIS, then naturally, it would sort of automatically replace the previous policy. But when you've got something in an oblique way or in an indirect way has impacts on other things that are consensus policies, the question is how do we address that and how do we deal with that. So I think the council needs to have that conversation. They'll need your guidance as to what you think, but ultimately, these changes will impact our contracts because they're consensus policies, right?

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DONNA AUSTIN: Right. It seems appropriate that it does go through the council in some way and do an official takeoff on it or something. Marc and then Jonathan.

MARC ANDERSON: Thanks, Donna. I'll just add one thing real quick to that. This is something we've also talked about with our registrar colleagues who are also on the IRT and they have similar concerns and have also flagged this within the IRT. It's not just registries; registrars have similar thoughts on this.

UNIDENTIFIED MALE: Just to follow up. Coming from a position of ignorance about exactly how the EPDP works, is there actually a lowered standard for passing this with the GNSO than the previous ... It's just like another consensus policy. So if it were just affecting one, it would be different. I guess is the solution is to actually redline the changes to the whole body of consensus policies so you don't have being superseded by implication almost? In the end, it's the group understands it's not working on one consensus policy, it's amending six or whatever. Is that the idea?

KEITH DRAZEK: I think you got it right. I'll defer to Marc in terms of the detail. But yeah, essentially, the proposed changes coming from the Implementation

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Review Team are going to replace language and the existing consensus policy, and that's the concern. Like I said, if it was a new PDP or EPDP or whatever, it doesn't matter. Going to work on replacing an existing consensus policy, I used Thick WHOIS as the example, then clearly that's intended to replace the old one. That's the reason it was chartered. We've got this EPDP that is having collateral damage on other existing consensus policies because it's such a broad issue and it's got its fingers everywhere. That's, I think, where we're trying to figure out what the role is in terms of the council as the policymaking body thing. Yeah, it's okay to replace that old language in an existing consensus policy with the new.

UNIDENTIFIED FEMALE: Thanks, Donna. I think another thing that makes this situation particularly unique is that because the Phase 1 was in response to temporary specification, it was time bound by about 12 months. So there was an understanding within the EPDP that there would be impacts to other policies, which is not the time to go through and list out exactly what those impacts might be. The reason I think this is a particular gray area is because the policy team was like, "Okay, these policies will need to be updated," but wasn't able to go through and list out how those policies should be updated. That's where procedurally, it's a little bit of – what did Marc say? Unchartered territory.

DONNA AUSTIN: Thanks, guys. I know that where ... I think we should have finished up and we need to get to the Registrars for 3:15. I think we had an update

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for the RPM PDP Working Group but we'll leave that for another time.  
[JC], one last word and then we'll –

[JC]: Just very quickly because it was a question for many meetings to briefly talk about the IFR, the IANA function review. [Inaudible] Rick is still in the room, but it was appointed to one of the two [inaudible] representatives. I'm happy to report that we're having our first informal meeting tomorrow morning. A full year after we've been asked to serve, we will be meeting in person tomorrow morning and I hope to have more to report soon. Thanks.

DONNA AUSTIN: It's very good news, [JC]. Thank you for your willingness to hang in there until this thing kicked off, so thank you and to Rick as well. Okay, folks, we'll –

KEITH DRAZEK: I can give you a 15-second update on RPM if you like. Knock it out, 15 seconds. Okay. They had three good meetings here, they are on timeline, beginning preparatory steps for initial report drafting and decided that there's going to be some further vetting of the 31 individual URS proposals to cut back the number. The initial report is targeted for January with the delivery of the final report for Phase 1 in April.

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DONNA AUSTIN: Thank you, Keith. We'll see you in the Registrar's Room 517C.

UNIDENTIFIED FEMALE: There is a little bit of coffee left here. If you don't want to fight the lines out in the hall, there's some coffee here and iced tea.

**[END OF TRANSCRIPTION]**