TRANSCRIPT

Finance Working Group Meeting in Prague

24 June 2012

Attendees:

Branislav Angelic
Lesley Cowley
Keith Davidson
Lise Fuhr
Byron Holland
Roelof Meijer
Debbie Monahan
José Mondragón, .mx
Vika Mpisane
Oscar Robles
Eduardo Santoyo
Sieger Springer
Mathieu Weill
Hong Xue

ICANN Staff:

Bart Boswinkel
Xavier Calvez
Byron Holland
Kristina Nordström
Gabriella Schittek

Byron Holland: On that note, thank you, Bart. That's a quick way to get everybody's attention. Our five minutes is up and we will call the meeting to order. We have the benefit of having Xavier here and I know Hong's a little bit limited so we're going to take advantage of him right away and he's going to speak to us a little bit about where we're at in terms of ICANN's financial information. As this group recognizes, there were several components to our work. Northeast was looking at the various potential financial contribution models. Another was examining the expenditures that CCs believe we are making towards the ICANN process and community and then a third component of the information was getting a clear sense of what ICANN believes it is expending upon this

community. And between those three components so work, revised and refreshed contribution methodology and contribution level.

As hopefully we remember from the overall timeline it was supposed to culminate at the Toronto meeting or at least that was the initial goal. However, at this point, we are not in receipt of the financial information for ICANN. I think we can all recognize ICANN has had a fairly full dance card in the last little while and in (inaudible) which have to some degree laid the receipt of the ICANN financial information for us. So, I want to give Xavier the opportunity to discuss where they're at and what the current thinking and timelines are and then we'll have the opportunity to ask any questions of him before we move into a slightly ad hoc agenda since the original one will not be available to us today. I sent out an email last evening, yesterday. What I hope to discuss is where should we go from here given that our current timeline is in some jeopardy? With that I will pass it over to you.

Xavier Calvez: Thank you. As it relates to the specific subject that you mentioned which is the focus of this group if I understand correctly. I'm sure you've noted because it's part of the comments that have been provided on the budget and operating plan that there was no EAG in the operating plan. I think we've had a number of discussions in the past on what we are trying to do and also how we're trying to do it. I've received a certain amount of input on the EAG from this group and others and I think we have exchanged views also on the EAG and I want to restate mine clearly here. I think this absolutely does not address what my understanding of this is, how the need to achieve the goal of redefining how the ccTLDs contribute to ICANN.

I think it's been expressed in the past as being the one element of getting to that objective. I think the construction of that information and the detailed information that is required to be able to produce that information is the wrong answer to the question. Let me rephrase. Is not answering the question. And I recognize that it's not extremely helpful to you guys to say it because you have ways of saying no because you have been working under the premise that this would be the tool to achieve something regarding the ccTLD contribution model. My perspective is that the comments I received on the EAG does not address the subject. We obviously need to be able to find what does. Nobody's fault but when there's a change in personnel here, maybe a change as well in -- I think that's partially what we're confronted with. Though I would also argue that I don't believe you've received in the past any kind of assurance or tangible information that substantiates the fact that the EAG would be an answer.

So, I don't think it's an answer. Now the question is easy to say -- What do we do? How do we achieve the objective? Again, I'm going to reaffirm as being defining a contribution model for the ccTLD and I'm looking for everybody here to confirm that this is really the objective of that process, right?

Byron Holland: Yes.

Xavier Calvez: So, under that basis, Bart and I have had a number of conversations where he attempted to provide me we history, background, and conceptual and practical background on the contribution model. I considered that looking at the costs, the presumed costs of the direct services rendered to the ccTLD by ICANN is a restrictive and no adequate view of understanding what the contributions from the ccTLD should be. And as a result rather than looking what the different tools were costing which I think the EAG was, I would like to be able with the help of this group to think back to what -- to what is the answer to the question from the perspective of how do we get to that answer and I think that taking the question back there will help us define a process and the way to get to defining the tools like the EAG was supposed to be in the past. That then gets us to the answer. So, I have what they call discussion that I need to have

with a number of you on the ccTLD contributions. I know that the notion before was what are your costs for the services that you render to us and that's how -- that's what I suggest you cover.

I'm not going to follow-up with that. I need to understand better who (inaudible) philosophically what the contribution of the ccTLD should be to ICANN. I know it's not an easy conversation to have. I see your faces. I expected about that if not more. So, what I wanted to be able to have is a discussion with Byron and Roelof and Lesley to be able to iron out maybe a bit more precisely how do we take it from here? I can spit out an EAG if you like. I think it's a waste of time. The issue is that it's been a waste of your time and probably a waste to other's the past couple years but I think this was not providing the answer that you need and it's not about the amount of detail of what was behind the EAG. It's about the EAG itself. So, my suggestion is to have this discussion with the three of you if it's appropriate. And if it's not, you let me know what is appropriate and with whom it is appropriate to discuss to be able to affirm a different approach to the process. I recognize that what I'm saying here is putting completely at stake the process that was initiated, I don't remember exactly when but a couple years ago, I don't know, to achieve the objective that we terminated --

Byron Holland: Okay. Where do we go from there? I have to admit that is something of a surprise because we've been walking down a certain path that was started depending on when you want to consider started -- either back in Wellington or within the last 18 months or so. Regardless, I think this group in particular has made a fundamental assumption that there would be something along the lines of an EAG where the expense associated with this community are provided in a fairly concrete way by ICANN. That was a fundamental component of how we structured this particular working group and how we anticipated coming to an end result. From our perspective, I think it's safe to say we feel we are quite far down that road and have done so in good faith.

So, it's somewhat surprising to be at this point in time with the comments just made. That said, I think this community is absolutely committed to finding the right path in terms of CC contributions. The last time we looked at it was some time ago. The environment has clearly changed and it's appropriate that we find the path now. I guess that puts us in a position to know -- last night I actually made this comment about should we simply find our own path and provide it back. Clearly the goal was to include ICANN in the process a little more than that but I think we do find ourselves at a bit of a crossroad. There's been a lot of work done here, a lot of good work and done in good faith to come to a good result. Where we are right now we find ourselves at odds with that goal.

So, I'm not sure exactly where we can go from here. Are there any comments from the working group? We have our own agenda that we are going to get to. I don't know exactly where that leads us but are there any comments or questions for Xavier from the working group right now? Mathieu?

Mathieu Weill: My question to Xavier is maybe a clarification whether your statement means that -- I'm sorry, I'll put it a little bluntly on purpose that ICANN has any cost or location on specific activities or projects in the future or is it the EAG as it was designed and locating costs to parts of the community get behind us? Because it comes back to the year of monitoring the budget and finances. I tend to agree that EAG as it was designed was useless and we even commented several times in that direction. But I think ICANN with the level of budget it has now needs to be able to dig into details and not only by its nature with its professional services or travel or meeting costs but also being able for instance to provide clarity on ICANN's budget, just as an example. Can you clarify exactly whether it's just a philosophy of EAG of can we expect details on projects or activities in the future?

Xavier Calvez:	I'm not sure how to relate the notion of more and different types of financial information about the budget of ICANN to the answer to the objective of redefining the contribution model of the ccTLDs. The reason I'm saying that is because I don't believe that the EAG -- let me rephrase. The EAG to me is a tool that supports the answer to the question how will we redefine the contribution of the ccTLDs. I have the impression unless I'm mistaken that the answer has been let's define what we think the costs are of the services that are provided to the ccTLDs and that's how we're going to define the contribution model. I have a fundamental problem with that answer. Are you finally admitting that in the past ICANN's main goal in defining the EAG was to increase ccTLD contributions? That would be interesting. Maybe that's not fair. I raise my brows because --
Byron Holland:	Hold on a second. One person at a time. The follow-up question is more of a comment. I know I have Lesley in the queue and then Roelof.
Lesley Cowley:	I'll try not to be cynical. Thank you for that honesty. It was always my suspicion that the EAG was not really worth the effort from those in ICANN perspective and from the ccNSO perspective. But I have to express some degree of cynicism and frustration given the amount of time the ccNSO has been putting into this discussion and two years on we're not very fair forward, even if I take two years ago as being the starting point which of course it isn't really. I guess probably what we do need is some time as a group to pause and to reflect on your comment and to consider what to do next. But I agree with you. I think one could spend hours and hours I'm sure on the EAG and you probably have more pressing things to do so that honesty is appreciated.
Roelof Meijer:	I seem to remember that the EAG was something like proudly presented by ICANN as a new way of looking at the budget and the various areas where money was spent. I think it was drawn into the process of looking at our contributions because it effected the idea we had of what the CCs should contribute to ICANN was far away from the amount mentioned in the expense area group of ccTLDs. And that was why we started asking for the details behind the calculation, et cetera. It maybe helped that it would help us in establishing an answer to the other question. I don't think they were directly related to ICANN, at least not in the way they were presented. But maybe more worrisome that might be in the ICANN for the SLPs apart from the EAG being used or not being used any longer for finding an answer to the question what the contribution should be. There was another purpose for this kind of way of looking at the budget.
	It worries me that ICANN is unable to come up with accurate figures. Or at least that's the conclusion I have on how it spends money on different areas of the organization or its activities. If the only question that you cannot answer is what this group should contribute, that's fine. But I was always looking with particular interest at what I consider extremely high cost support to the Board. I think it was $9 million or something like that. Maybe that's also a wrong figure. I don't remember. It was more than the IANA function. The Board cost more than the group so to speak. I think it was the EAG was not there to answer the question how much the CCs should contribute to ICANN but it was a tool for looking at the budget. I think you're saying it's a tool as well. I don't want to make your life any more difficult than it already is.
Xavier Calvez:	I'm struggling with how to provide an adequate answer, not that the question is irrelevant. You should be able to ask the question. I think that the EAG is a tool to understand how ICANN spends its money on the organizations was inadequate as well because the basic flaw of the EAG was to try to split 100% of the costs of the organization. If we think that every single dollar that's spent is directly spent on an organization, we're never going to get to the answer with the EAG because there's so many costs that are indirect. I'm not talking about overheads, I'm not talking about

accounting costs which support an organization which supports the community. That's overhead to me. And of course that's indirect and an easy thing to do. This is easy to handle, an overhead allocation. That's not a big deal. The question then is how much the overheads should be. But that's a different subject.

What I find is that the notion of how direct the costs are to each organization is extremely difficult to handle other than the way the EAG was doing it was I'm going to throw in some (inaudible) and say this much is for ccNSO and this much is for the ALAC and there's a lot of activities that are about tasks or functions rather than community organizations. We all know -- I'm sure conceptually there are some organizations that use or don't use certain departments or certain resources of ICANN. You all have mentioned to me several times in the past that for example the policy development resources that ICANN has or at least a certain amount of them or a majority of them you don't use because you develop your own policies.

I know you mentioned a few other areas that each of the ccTLDs are already handled for the ccTLD and therefore whatever ICANN does in that respect is irrelevant. So, I think that each community organization uses different resources than the other. Having said that I think that when you look at the Board, when you look at meetings, when you look at all the infrastructure support of ICANN -- IT, finance, HR, legal, et cetera -- the role and the functions of these organizations are supporting generally speaking the internet. I felt that when we try to say -- Well, this is for the ccNSO, this is for the ALAC, this is for the GNSO, there's -- you just can't split it.

Or if you split it it's going to be always arbitrary and it will require the EAG which is a big table that says departments, community, and you have an allocation table and then we're going to have 100 or 150 personages and we're going to debate all of them forever. That's what I think we all understand is the flaw of the notion of the EAG is trying to split things and make them direct when they're not. It's the recognition of the lack of direct link between the dollars spent and the specific organization that's important to recognize. And until it's recognized, we're going to be back in circles like I think honestly the discussion of the EAG being the tool to determine the ccTLD contribution has been in the past.

Lesley Cowley: Thank you. I think that's actually quite refreshing. Unfortunately it probably confirms our skepticism around the EAG to begin with but I appreciate your forthright description of it. Before I make any other further comments, did anybody else want to get in the queue for a question or comment? Lise?

Lise Fuhr: So, what you're saying is we can't have any of the numbers related to the ccNSO because I don't really understand what you're saying to be honest. Because in my mind, I was told in September that you're implementing a new accounting system so that you'd be able to give us the figures. Now you're saying you don't?

Xavier Calvez: I'll be very blunt on this. An accounting system is not a brain. It's a tool that does what you tell it to do, right? So, the point is, is the EAG, the tool that helps us determine what the ccTLD contribution model should be? No. Again, I think that the notion of services for receipt or put differently, services for a cost is to be largely challenged and potential reconfirm that's certainly challenged in my view as to whether that's the right answer to determine what the ccTLD should contribute. But to come back more directly to your question putting in place a financial system even if it would support adequately producing an EAG, it would only enable to track easier the costs that are direct which is great except it doesn't resolve the problem of the EAG that most of the costs are indirect to begin with. You understand what I'm saying?

Lise Fuhr:	I understand. I don't need a lesson on accounting. But to be honest I'm a bit frustrated that you come here in June and say you're not going to give us the numbers anyway.
Xavier Calvez:	I'm not going to dispute that you're frustrated. You've been spending two years or more on the subject and expecting that you would receive this as being the answer to it. If I may be a little bit cynical as well, the way I'm looking at what I'm saying now is to try to avoid you and me to stop wasting time. Sorry. But --
Vika Mpisane:	Maybe a comment that may turn into a question. This statement from Xavier to stop wasting time is an interesting one. We have wasted time hoping to come up with an objective answer to what ccTLDs cost ICANN and what ccTLDs should ideally contribute to ICANN. The whole question appears to be the fact that the EAG is seen from the side of Xavier and the finance team as not a good tool to help answer that question but it still doesn't take away the need for ICANN to be open about the costs and tell us how it spends its funds, what costs ICANN what, who cost ICANN what, what do the ccTLDs cost ICANN? It still doesn't' take away that question.
	For me it would seem that instead of closing it down as the EAG not having been a good mechanism -- I don't know. It still doesn't take away the requirement for ICANN to still come out with the costs and say this is what the ccTLDs cost us. It's good for Xavier to say the EAG was not working which I think is a fair thing. There's nothing wrong with being honest, taking aside the amount of time that's been spent I think those questions still need to be answered. And then obviously as a group we need to discuss and find a way forward. The group needs to explore that need to answer how much do we cost ICANN.
Byron Holland:	Xavier, before we cut you lose, since this is actually taking a little longer than anticipated, if I could ask one final question. Based on what I've heard you say, really you are going to need to get to the more philosophical question around how should one group participate into ICANN given there are many services we don't use but ICANN is doing something for the good of the internet overall. The implication there is we should contribute in some way, shape, or form to that even though we're not using those services. I want to make clear that what I thought I heard and you used policy development as an example. ICANN does that on behalf of other constituencies who do need that.
	As CCs we run our own policy environments and we need to make it black and white. No use of that service. Therefore it's legitimate for us to say why would we contribute to that at all? Yet what I was hearing you say is something different, that it's too different to do that, that it's for the good of the internet anyway. I'm trying to understand your more philosophical position on this. Because if I go down that road, then it's just ICANN's total budget is X and divide by the number of constituencies and you all pay. That's highly simplified but where are you going with your point of view? How do you think this should be done?
Xavier Calvez:	I don't have a finalized answer to that from the perspective that if I would, hopefully I would have formulated with the input of the community on that. I'm throwing that idea, because conceptually that's really the way I'm looking at it, that ICANN is not a service provider for fee. That's not what ICANN is. So, I think there is the notion as per which ICANN -- the costs and functions of ICANN support -- we're getting to that philosophical discussion which I don't necessarily want to go too far into but to answer more clearly your question, the notion that I had is the one that I expressed and you reformulated. I don't know which functions within ICANN we should determine apply or don't apply to the ccTLDs. I'm just lying out the notion that the cost per fee is not adequate in my view in that there is a fundamental role for ICANN for the internet that we need to take into

account to determine how we can then come to the conclusion of the exercise which is how do we define a model of contribution of the ccTLDs.

I'm not pretending to have the answer. What I would like to be able to do is come up with the answer with the group that represents the community and I would obviously consider this group is the primary partner in formulating that answer. So, I'm laying that more as a question than an answer. I don't have the direct answer as to what functions we should put into the model versus not yet, nor do I want to answer that question right now. But that's the road that I would like to be able to take. Again, to the frustration of everyone that's already been done on this subject, I recognize that it may sound like a potentially long road. What I want to make sure is we find a way together to make it a road that lets us deliver in the fairly short-term on how we get to the point that we are satisfied with.

| Byron Holland: | Okay. I'll go with Oscar and Keith. Two last questions. Please try to make them brief. |

| Oscar Robles: | Xavier, are you or are you not interested in increasing the contributions from the ccTLDs to ICANN? |

| Xavier Calvez: | I'm interested in achieving the contributions that are considered by everyone as fair. |

| Oscar Robles: | So, you don't care if they're increased or not? |

| Xavier Calvez: | I think we all think that the $2 million that's contributed today are not fair. |

| Oscar Robles: | Are you aware that your lack of interest in giving us those details and answers doesn't help in our perception of that fairness? |

| Xavier Calvez: | I'm not sure I understand your question but I'm not not interested in giving details. That has nothing to do with it. I don't refuse to give the details. What I've discussed about is that the details that are required to justify the EAG are irrelevant to a tool that doesn't help answering the question. Again, I can spit out over time with as much effort as we want, as many figures as you want. The question is does that answer the question? So, I'm not not interested in providing details. I'm interested in providing the right details or the right information. |

| Byron Holland: | I think probably what you're hearing here is the frustration with the attempt to reframe the debate at the eleventh hour. Keith? |

| Keith Davidson: | Xavier, I took your comment as this being a long ride but this is a broken record. I recall Melvin in 2003, ICANN, Peter was trusted from the ccTLD community to talk to the ICANN Board of the day and came back with a request of $5 million being the appropriate funding from ccTLD at a time that there were possibly three or four ccTLDs paying anything towards ICANN's costs. We've gotten no further. It appears that we can get no further essentially. You're not suggesting any cure or capability of creating a framework where we can examine things. We're not in this room talking about the last $0.05 balance between what you want and what we give. We're talking about an enormous figure. We're saying that's unreasonable and you're saying you don't know whether it's reasonable or not. That could be closed by the simple provision of some elementary figures. |

| Xavier Calvez: | I'm sorry. I didn't hear the last part of what you said. |

| Keith Davidson: | The gap could be closed or the understanding of the gap could be closed by the provision of some simple numeric data from your existing accounting system. I don't think that's rocket science. I don't think it's even rocket (inaudible). |

Xavier Calvez:	Maybe it's a longer discussion than what we have time for. Again, the accounting system can spit out any kind of information we decide we want to spit out. It's irrelevant what the accounting system spits out. I can hand you the accounting of ICANN on a spreadsheet if I want to. The question is what do we want to get out of it. An accounting system is a tool that helps us account for things. What do we want? The analysis we want to do if the accounting system doesn't do them, we'll do them separately on the Excel spreadsheet with hands and whatever. The accounting system is irrelevant to this discussion. The question is what do we want to do. So, yes, the accounting system can split any kind of costs. The question is are costs of certain specific functions the answer to the question. That's the philosophical discussion that I'm sorry I'm bringing up but in my view is necessary to have.
Byron Holland:	Given where we find ourselves right now I think I'm going to make a course correction because what I had suggested for the agenda we are running out of time and I think this discussion is more important at this point in time than what I'd put for discussion points. I know I have a couple more questions and I'm going to go to those. The first from Lesley and then from Roelof.
Lesley Cowley:	It's not really a question. It's probably a bit of a comment. I think we've been talking about costs the last two years longer because that was the basis of the discussion that we'd originally agreed to. I hear a new word from you today. This is a conversation where you need to be very careful of the words you chose. The word I was hearing was fair. Is this perceived to be fair by whom might be the next question. This is a topic you need to be aware is incredibly political and could get rather emotional if I can use that word. I think we need to be quite thoughtful as to the words we're using. We thought there was an agreement to a way forward and that we were both working in that same direction. It's understandable that we can all get a bit emotional now that that's kind of changing. What we do need to do is have a conversation about a practical way of taking this forward I suggest.
Xavier Calvez:	That's absolutely what I want to do. I recognize the notion of fairness is entirely relative as well as the other word I was going to use which is right which is not much better. The bottom line is -- I know. The bottom line is I've heard from everyone in this group and others that the ccTLD contribution of $2 million, whichever word we use, should not necessarily continue as is. The question is what should it be? And I'm sure that even not continuing as is is something that not everybody will agree on.
Lesley Cowley:	But this has a political context. The ccTLDs could walk away. That needs to be in the front of mind.
Eduardo Santoyo:	How to define that process? At the end of the day you have many expenses and resources that you capture from ccTLDs. I guess you need to find how to make the equation towards income and expenses. What do you expect? How do you plan that equation right now or in the future? Which article do you use, fair or not, the contribution should be from the ccTLD community to maintain that equation of income and expenses of ICANN.
Byron Holland:	Maybe I can use a placeholder word for now that it's neither right nor fair but perhaps appropriate which is somewhere in the middle of a value judgment and absolutely concrete which I don't think is helpful for the discussion at the moment. We do have a time check. We're now past our schedule. I'm going to give Roelof one last question and then we're going to have to move on from this portion of the meeting.
Roelof Meijer:	Yes. In fact the last bit of Lesley's comment leads perfectly to mine I think. I think we've been trying to not make it political, this whole issue, by looking at it from a more

technical perspective. Many people say issues at ICANN are either technical, political, or both. And it's by looking at ICANN as a service provider, so I was a bit surprised when you said ICANN is not a service provider. I think for SIBN, ICANN is the most crucial service provider and that's the IANA function. What's been bugging me is why it's so difficult to come up with what would a fair or appropriate payment for that particular service would be.

For the rest, we can still make policy contribution but the idea of the EAG was what are the services ICANN provides to the community and what would be a fair payment for those services. If we have to judge the appropriateness or fairness of whatever of contributions of this community to ICANN on another basis, not on the basis of services provided or services being used, do we have any idea yet on what criteria we're going to use to judge that? The only one we could think of, you're saying it's not going to work.

Xavier Calvez:
No is probably too short of an answer. What I want to be able to define is what do we agree on is the right basis to determine because the contributions from anyone to ICANN corresponds to a cost. We're not talking about a price. We're talking about a cost. So, at the end of the day what I would like to achieve is the definition of what do we think the contributions of the ccTLDs should be on the basis of what ICANN is to the ccTLD. Not trying to get into the philosophical debate that we don't want to schedule now, what are those services, what are the functions of ICANN that impact the ccTLDs is the discussion that I would like to have so that we can then walk on the path of defining what the amounts are?

So, again, I think we're starting to enter a discussion that needs to take place in a different setting but I don't have yet the answer to the question that I'm posing now. I'm hoping to get your engagement as Lesley was indicating to find a practical way forward that gets us to an answer not in three years from now or gets you to an answer with my successor. The reason I'm saying that is because my predecessor said something to you that probably led the process concluding now with a different person telling you a different thing which I would be entirely frustrated if I would hear that and I understand you are and I'm not disputing that it (inaudible) that saying what I said was not something you like to hear. But I think that's the right thing to say.

Byron Holland:
With that, I will call an end to this portion of the meeting. Thank you for attending the meeting and sharing your thoughts with us. I'm sure we'll be in touch. Given that we're already past the end point of the formal meeting, I promise to keep it to a few more minutes. I think it's safe to say that was a surprise to us all, certainly in the way it was conveyed. I had a couple other points I wanted to discuss but I think given the time we will have to go to the mailing list for those which were around initiating the discussion on winnowing down some of the models we've reviewed previously as to how to discuss financial information. I guess we won't be doing that. I guess it's worth having a couple minutes of discussion just in terms of receiving any feedback or talking about what we just heard and also what if any next steps should we be thinking about in the immediate future. Comment?

Unidentified Speaker:
Yes. First I'd like to say hi and introduce myself. My name is (inaudible). I'm from dot-RS. This is my first finance working group meeting. Maybe because I'm looking at this for the first time and with fresh eyes, I'm jumping in --

Byron Holland:
It must be quite a shock to you then.

Unidentified Speaker:
Yes. It is. But my understanding from what I've heard here today is ICANN does not want to provide the figures. They don't keep records the way we want them to keep on purpose because philosophically they do not believe that the contributions should be made based on cost allocation and that comes out to me very clearly. They're trying to

avoid keeping records in a way that could be used in order to calculate contribution based on cost allocation. Since that is the case in my opinion we should ask them very directly what model other than that do you propose and how do you propose this contribution be calculated and then discuss that with them. Because talking about the model we want to talk about is not going to lead anywhere unless they let us into their data which they don't want us to do. That's just my impression from today. I might be jumping the gun but that's what I hear today. Thank you.

Byron Holland: It's very interesting to have a fresh set of eyes and ears make a comment on the subject because there's a number of us who have been working on this for a couple years, 18 months in this iteration and many, many years depending on what iteration you want to talk about. Those are very valuable comments. Lise?

Lise Fuhr: Yes. I don't know how we're going to proceed but I was hearing Xavier say he wants to enroll us to come and -- I would be very sorry to have this leaving the working group. I would like to have Xavier discussing these methods with the whole working group instead of having this small group of people. That's just a -- I'm kind of like you, feeling that they're not as open as we want them to be. I've known that for a long time but still I thought with Xavier they were opening up. I don't sense that transparency anymore.

Byron Holland: My personal goal would be that this would not become a small group discussion. There's always a time for that, I think we would all agree there's a time and place for -- intimate's probably the wrong word but a smaller discussion. But certainly at this point my goal is to have this working group fulfill its mandate, not to take it off and have it be a back room conversation where a deal is struck. Absolutely not. I do want to make one comment and I recognize I have Mathieu, Keith, and Lesley who all are in the queue. The one thing that does strike me here when I listen to this is the EAG proposed a number that I would say was wildly above what was reasonable and the one thing this group has done, even though perhaps right now we're feeling like have I just wasted 18 months of my life -- well, that did cross my mind -- is it the work we've done has been consistent and relentless and ongoing we have forced this discussion into a box from which there was essentially no escape. That's of its own value I think.

Mathieu Weill: Just to share my impressions of what we've heard and putting into context in which this working group was created, I think it's important to remember that basically the working group was created because ICANN and its CEO were increasing pressure to question whether the ccNSO ccTLD contributions were fair, appropriate, whatever you want. It was created to provide actual data and actually respond to the EAG which was not felt to be appropriate or fair. I think it's to this group's credit that Xavier just said the EAG is not the right one. We should not forget that. It's because this group has been working at demonstrating that these figures are not the right way to look at the issue that we've come to this.

That being said, we have set foundations with the models that we've been investigating that enable us to provide some actually data about the cost of some of the services that ccTLDs bring and the value that ccTLDs bring to ICANN. This is left in the middle. We need to push that through even though it's not in the EAG framework context. But as you said, anything can be put on a spreadsheet. It's going to be important for this group to keep pushing to get this data even if it's not data that is being provided each and every year. We need a picture at the moment so we can provide the community with the result of our work and provide an assessment of how we feel it's appropriate or fair because Xavier's statement is -- he's not committing the Board. He's definitely not in line with what some of the GNSO community would feel. So, I really think we need to push this but putting aside the EAG, you haven't lost 18 months.

Byron Holland: Thank you. Keith.

Keith Davidson:	Bryon, thanks. I think you answered my question in your last response about taking things to smaller groups. So, a commitment to remain in the large group was the words I wanted to hear. I don't have anything further to add.
Byron Holland:	That is absolutely the case. Lesley?
Lesley Cowley:	Thank you. Yes. I've certainly got no intent to want to be a smaller group deciding stuff but perhaps in a smaller group we can be a bit more blunt with Xavier about the comments than maybe one can be in public. You can be pretty blunt in public, of course. So, I was just going to set these comments in a broader context to somebody who's name, I'm sorry, I don't know yet, said about asking ICANN for methodology, that we should contribute, and I think the answer you'd probably get back on that from an ICANN perspective is why don't you contribute on a similar basis to the GTLDs which is on a per name basis. I would be cautious about asking that question because for a number of us the answer to that question would not be acceptable and would bear no relations whatsoever to the services or otherwise that we get from ICANN.
	I think there will be a number of voices this week and I'm particularly sensitive to them about suggesting there's not a lot of difference between Cs and Gs and there are still huge amounts of difference between Gs and Cs and anything that brings us to being more similar I think is an issue. I think this actually is an opportunity for us. I feel as though we've wasted a lot of time but then we probably saved huge amounts of money that we've not been paying during that time so maybe it's an investment. Who knows? But I think there's an opportunity for us as an SOP and for us as a finance working group to be proactive and come up with our own figures now because I think that's probably where we've got to. We do have some figures in the budget. Actually there is quite a bit of information in the published budget we could use to guide that discussion as a group.
Byron Holland:	Thank you. I'll take this opportunity to wrap up because I know there are other -- well, this room is booked and other people have their schedule booked for four o'clock and we're already 20 minutes late. So, one of the things I noted in my email to the working group is the options we would have if we don't receive the information. That we could go into a hibernation mode and wait for ICANN to produce something although I would say with the benefit of new information that might be a long wait. Or that we can carry on and formulate our own response. My sense really is that we have momentum, we have knowledge, we have commitment of a working group that's done a bunch of good work and done it in good faith and that the work we've done as Mathieu and others have said has actually driven ICANN's behaviors in that we've corrected them in a number of facts. I mean we shouldn't forget that it's only one year ago this meeting in Singapore where we highlighted a $2 million error in their accounting with respect to what they were allocating towards this group and the SOP that did that.
	So, there is good work that's been done in spite of the fact that ICANN as an organization doesn't seem willing or able to put out the numbers we were all anticipating and they committed to. That probably gives us the opportunity to say this is what we think it is. We can read income statements and balance sheets. We have survey results, et cetera. Maybe this is an opportunity for us to reframe how we're approaching it and we set the anchor point. If we think about this, ICANN has set the anchor point in terms of a dollar value that this whole discussion has revolved around, be it the $9 million or $12 million or whatever they come up with. That tends to have been the number that the debate is revolving around and I would suggest that this is a good point for us to set the anchor point. It does reshape the nature of the dialogue we've been having in this committee but perhaps that's the way forward, for us to say, yes, come to some conclusion on the model and come to some conclusion generally

speaking on what an appropriate or reasonable number is with some ability to actually back that up.

Maybe that's the path forward. So, I'm going to leave it right there for now and say that we're going to have to take this discussion to the list which will be more active between here and Toronto than from Costa Rica to this point clearly. But I would just like the working group to reflect on that possibility and if there are any comments or thoughts or reasons not to do that or do that, I would certainly welcome those to the list and I will reflect on them, take any feedback and start making some suggestions as to the way forward. I still think there's an opportunity to put something concrete on the table in Toronto, perhaps not what we'd anticipated but at least something meaningful. With that I will call the meeting to a close and say thank you very much.