

ISOC Chapter Leaders Discussion 2020.02.28

Gonzalo Camarillo

So, to be clear, Joyce is going to be handling the timing on everything. It's two o'clock my time so it's 12 UTC. But Joyce I mean, you decide if you want to wait a couple of minutes or go ahead or whatever you want to do.

Joyce Dogniez

Evelyns going to kick us off actually Gonzalo, so Evelyn over to you.

Joyce Dogniez

Evelyn we cannot hear you

Evelyn Namara

Hello?

Joyce Dogniez

Yes!

Gonzalo Camarillo

Yeah, now it works. Now it doesn't work it. Now it's works.

Evelyn Namara

Oh, great. Sorry about that.

Gonzalo Camarillo

You were muted. Now you are you are unmuted.

Gonzalo Camarillo

Please, go ahead.

Evelyn Namara

Oh yeah.

Evelyn Namara

Sorry about that. Yeah. Good day everyone. Thank you so much for joining us today for this call, wherever you're joining from. For those who don't know me, my name is Evelyn Namara and I am the Manager of Global SIGs and Community Engagement. So, this call has been set up for you the chapter delegates to help address any community concerns around the sale of PIR. But just before we dive right into it, I'd love to go through some basic housekeeping rules, so that we are all on the same page, and so that we can have a productive time together. So, at any one point throughout the conversation, if you have any question, please feel free to ask your question. There are two ways to ask these questions, you can either type each in the chat function. In order to do that, please format your question with your first name, and country followed by the question. And then, if you have questions in French or Spanish, you can also type those in chat, we'll have people ready to translate those and send them to the moderator. And if you prefer to verbally ask your question, that's also an option, please type verbal question in chat, or you can as well just type 'hand'. The moderator will be keeping an eye on that, and we'll have a queue, and we'll call on to you to ask your question when the time is right. At all times please remember to keep your microphone on mute. This will help us to have a productive conversation, so that we don't have any background noise. And last, but definitely not least, we will be recording this call and sending you the link immediately after the call. So, without further ado, I will hand you over to my colleague Joyce, who's the VP Community Engagement. Joyce please, you can take over.

Joyce Dogniez

Thank you very much, Evelyn. It's really good to see everybody here today. I see many familiar faces. So hi, everyone, bonjour tout le monde, hola todos. Thank you all for taking the time on a Friday to join the call today. We're here today, as Evelyn already mentioned, to have a conversation about the announced sale of PIR to Ethos Capital. There have been many questions, and some concerns as well as support raised by Internet Society, global community, and so we wanted to bring together today our chapter community in particular to have a conversation, and to address any questions or concerns that are still out there. The Internet Board of Trustees has, as you all know, been available to address concerns and answer questions along the process. But we understand that there's there's still some some pieces at that want or needs to be addressed and discussed. So, it is, therefore, my pleasure to pass the word to Gonzalo Camarillo, the chair of the Internet Society Board of Trustees. But, he will actually start off with giving you a status of where we are in the process, so we can kick off the conversation. As Evelyn mentioned, please, if you have any questions, any comments, you can use a chat or raise your hand, or put simply your name and raise hand in the in the chat, and we will keep track of the queue. Please keep your interventions brief. We have quite a few people on the call, so we want to give an opportunity to everybody to be heard, or to have their comments or questions addressed. And I'll give you a fair warning with a big smile on my face. I will interrupt you If your intervention is go too long, so please keep it to the point. You can get back in the queue, but I want to make sure that everybody has an opportunity to say what they want to say, or to have their questions addressed. So on that note, Gonzalo, I'll kick it off to you. And I'll read out the questions as they come in. Okay,

Gonzalo Camarillo

Perfect. Yeah, as you said, we only have one hour, so I'm not gonna give a long speech. That wouldn't make any sense. Just to say that, as you said, I mean, the status of the deal, as you all know, is that we are awaiting for ICANN approval. And that will happen in the next few weeks,. So, that's the status, and we are waiting for that. I think that's enough, because I think it's better that we spend the time answering questions on everything. Just to mention that we have also a few trustees here, just in case some of the questions they are better answered by another Trustee. I could see Hans Peter, Sean, Walid, Richard and I may be missing some people. Andrew is also with us, because some of your questions may be more detailed., so we will need more management answer. So Andrew is there, you know, ready to answer questions, as well. We will do our best to clarify all your concerns, questions, and everything. So, with that, I would like to open the floor for questions.

Joyce Dogniez

So I'll start with... Richard..

Gonzalo Camarillo

So, the first one, sorry. Yeah. Richard, as I as I told you yesterday, I think, on our email exchange, I was actually planning to provide you with a written answer to your questions by today. Ideally, I would have gotten to that before this session, but I just didn't have the time. We've been very busy. So, hopefully, before the end of the day, I can do that. But definitely, I haven't dropped the ball on that. As I said, we will we will write that. That much said, as as you said, I fully understand that the actually recipient of of your concern or questions is Ethos, and you are expecting Ethos to answer but, as I said, I think we will do as much as possible to help you get all the information we can provide you with as fast as possible. So, that's why I committed to provide you with an answer. So we will do that. Thanks, Richard. And thanks a lot for taking the time for reviewing all the PIC and providing your views on it. That's very much appreciated, of course.

Joyce Dogniez

So Gonzalo, now is the time for me to come up with a good joke or to do a dance, I think, because we don't have any, any queues, any questions or comments in the queue so far?

Gonzalo Camarillo

Yeah. So to be clear, we've been communicating a lot on the PIR deal, and I'm providing both high level information and detailed information. if people have questions on anything else, I would be happy to answer those. As you know, in December, we wrote a blog post from the board explaining also the overall master plan for the organization, not just PIR, but how we have been shaking things up, how we created the IETF LLC, how we created the Foundation, how we are basically working on on the program for the Foundation, how we are basically structuring, ISOC, as many people know we are going through a restructuring, internal restructuring. So, a lot of plans, a lot of things going on. So, don't think that you have to be constrained to the topic. you can ask about anything that is in your mind.

Joyce Dogniez

So there's another question from Richard:as far as you know, would the PIC be revised on the basis of comments?

Gonzalo Camarillo

I think maybe Andrew is in a better position to answer that question. Andrew?

Andrew Sullivan

Sure. Hi, everyone. So the PIC was developed in response to many of the remarks that people had. I suspect that Ethos continues to be listening to feedback that it's getting, and I know that PIR is, because I was I was speaking to Jon only yesterday. I think that it's also clear that Ethos and PIR do not believe they can satisfy everyone. So, if the if the question is, is everyone going to be satisfied before the PIC is finalized? I think the answer is probably not, because there are definitely people who are unwilling to grant that the transaction could be legitimate under any circumstances and, in that case, it would not be possible, of course, to modify the PIC in order to in order to address those those cases. But I know they're listening, and they're engaged, and they're trying to pay attention to what the community is saying.

Gonzalo Camarillo

Thank you, Andrew. Thank you.

Joyce Dogniez

I see Sébastien Bachollet -- Bonjour Sébastien -- has his hand raised, so...

Gonzalo Camarillo

Maybe we can, just to close the loop on Richard, because this is one of the questions that Richard had on his email. Maybe Andrew can also talk to that, which is the conversation between the B Corp versus the PIC.

Andrew Sullivan

So, the original approach that Ethos was taking, was that they were going to include the commitments that they were making publicly in the corporate documents that that would govern Ethos, and they were looking at Benefit Corporations, different styles of them. Some of this depends on the state law where the organization will be incorporated, and there was more than one approach that they had on deck. But what they got, very consistently, was a lot of feedback to the effect that people did not feel that they were in a position to enforce those mechanisms. The very strong pushback was that people did not really understand how this thing worked, and there was also a lot of pushback that because it was part of the corporate organization documents it would be possible for Ethos to modify those unilaterally, they could make changes to the -- and this is true of any of any organization. No, I didn't misspeak, the commitments, Ethos and PIR are working together on this, because what Ethos said was that they were going to organize one of the corporations, and it was probably going to be PIR, but it didn't necessarily have to be, and they were quite clear about that, it didn't necessarily have to be one of those corporations, was going to be a public benefit corporation of some kind. It seemed likely it was going to be PIR, but I don't think that that had been nailed down. So, the feedback in any case, whatever they chose, the fundamental problem was: any corporate organization documents can be changed unilaterally, that is nobody else has standing to prevent them. And so, the complaint was that, if ethos wanted to do something that people didn't approve of, there would be no way to block it. And so

the response to that was: Okay, we'll make these PICs. The Public Interest Commitments are then attached to the org agreement, and that is enforceable by ICANN, and it's also enforceable by the community through a community process -- that does go through ICANN, but it's initiated by the community. So, the fundamental idea here is that the particular commitments, the ones that have been announced in the recent release about the PIC, those are no longer going to show up in corporate organization documents. Ethos continues to us to pursue the idea of organizing -- and again, it's most likely to be PIR -- as a public benefit corporation of some kind with the concomitant reporting requirements and so on that goes along with that, but the Public Interest Commitments are the ones that will be the enforceable ones through the ICANN system. Those are the price protections, the commitments about how the Stewardship Council works, the commitments about how the Stewardship Council has certain veto powers, and so on. Those will be implemented through the ICANN agreements. And I want to point out that this addresses another issue that people have been concerned about, because the commitments are attached to the agreement. And so, in the event -- some people have raised the concern: Well, what if Ethos just sells PIR? Then the corporate organization documents don't go along with it. And again, because these are attached to the agreement, they can't be unilaterally removed. And so, any new possible purchaser, not that Ethos is planning to sell anytime soon, but in the event they did, these commitments would continue. So, I hope that's clear enough.

Gonzalo Camarillo

Thank you, Andrew. Thank you.

Joyce Dogniez

We have Sébastien Bachollet who has his hand raised. So I'll pass on to him first. Sébastien?

Sébastien Bachollet

Okay, thank you very much. Sébastien Bachollet speaking. And thank you for this discussion, and your engagement, all of you. A question rather to ISOC directly. If, for any reason, and I will not make a list of reasons, this deal can't go through. What is the plan for ISOC regarding PIR and .org? Thank you very much.

Gonzalo Camarillo

This is a question that we have gotten quite often and, if it doesn't go through, as you said, I mean, talking about hypothetically, hypotheticals, the idea is to continue as we were. We are the owner of PIR, they are handling .org, and continue as business as usual, if you want to call it like that. So that's basically the plan.

Joyce Dogniez

We then have a question from Salve Nilsen from Norway, who addressed it -- started with -- a bid of this magnitude begs the question, what makes PIR so valuable to Ethos. To me, it seems that they see a lot of unexploited value in PIR. With that in mind, why not just keep PIR, and exploit the values in PIR ourselves?

Gonzalo Camarillo

Yeah, so I was answering Salve on the chat, but let me repeat, and then expand. I think that's a very good question,. When you sell something, it has a certain value to the other party, and you need to understand why it has less value for you, so that the transaction makes sense. Or, if there's any other argument, or reason why, makes it appealing to sell it. So in our case, I mean, it's both. As we explained, we -- and you you all can see our budget, and our plans, and everything -- we need a stream of money to fund all the grants that we give to the community, and also our operations. So, in that sense, we have been using PiR in, what people call it nowadays, harvesting mode. So, taking that money and using it to fund all our activities. In that sense, we are not able to reinvest some of that money into the PIR, to make it create more value, or to grow, or anything like that. Why? Because that would mean that we would be compromising our action plan for a few years, and we are not ready to do this trade off. That's the first part. That's why maybe PIR is more valuable to another entity than to ISOC, because another entity can be more patient, they can actually hold on for a few years while they reinvest to make it grow. So, that's the first thing. The second thing is, as I was mentioning in the chat room, and I think I mentioned in the past as well, is risk management. With PIR, even assuming that it would have exactly the same value for us as to for any potential buyer, we would be exposed to a single industry, a single entity in that industry, and a single revenue stream, which, even if we can agree that this revenue stream is not going to dry up in the next two months, or something like that, it's actually quite risky. If we can have the same thing, but not risk free, but with a much lower amount of risk, that would be much more beneficial. Having an endowment,, we have the luxury of being able to diversify into different industries, different investment vehicles, etc. So, what we are trying to do is to replicate the amount of money we are getting from PIR right now, but in a much more risk -friendly way. That's basically the main argument for that. In addition, we have also talked about this moral hazard, which is that if we are an organization that's explaining the policies, the policy space, having actually our revenue comes from part of that industry, let's say, is not ideal because then we are compromised in in the advice we can give in the advocacy we can make etc. In that sense, having an endowment, which is not tied up to any type of operation, or industry, or area in the industry, it actually gives us much more freedom to criticize everything, and be able to talk about anything, in this case, even including the domain name system and all that. So, those are the basic arguments we have used when deciding why this was more valuable to Ethos than to us, and why we would prefer something that is -- I don't want to say risk free -- but has less risk associated to it than running this operation. So, I hope that makes sense, Salvi.

Joyce Dogniez

We have another hand from Sébastien.

Sébastien Bachollet

Sorry, nobody's raising his hands and I...

Joyce Dogniez

It's good. Go ahead.

Sébastien Bachollet

Thank you. Following this discussion, we were talking a lot about non for profit organization, and I am really struck that what you explained to us, that's what I will call Viva Capitalismo, and we will have more money in putting our money in Microsoft, Google, Boeing, and other companies like that, you will find less risky maybe. But that's very strange from point of view of a non for profit organization. And that's very strange from an organization who are embedded in Internet, and I think, the risk, it's existing in Internet but at least we know what we are talking about, and what we are doing, and I am really concerned with it. And it's a totally personal point of view that I am expressing here. Thank you.

Gonzalo Camarillo

Yeah, thank you Sébastien. I know some people think like that. But if you think about that, I don't know if most, but many, let's say, American universities, for example, they have endowments, and they work with that. Would you say that those universities, they are not legitimate? I don't think so. They are just using the money they get from their investment into whatever the university does. I understand that, in some countries, or in some regions, maybe this endowment structure is not very popular, but in other places is actually very common, even for not for profits. I'm seeing -- yeah, Richard, I'll go with you right after this. So, it's not that strange that we do that. regarding the investment. Just to clarify, ISOC invests money already. Our reserve is not in the order of 1 billion euros, as we would be talking, but it's, let's say, one order of magnitude smaller, and we are investing it, and we have policies so that we have a physical investment, and we don't invest in things that you would probably disagree with, etc, but to be clear, it's not that we have a mattress, and we put the money under the mattress, we actually use financial instruments so that we don't lose value. More importantly, our stress, and our mission, and the most important thing, is to be able to run our operations, to give the grants to the community, etc. For that, the sad truth is you need money. That's the system we work in, and that's why we are doing that. And Richard wanted to... Richard is the treasurer from the Board, so he wants to talk about that. Richard, please?

Richard Barnes

Good morning. Additionally, to the extent of what Gonzalo was saying, he actually hit most of my points. One of my roles as treasurer is to run the Finance Committee of the Board which oversees the pools of money that ISOC already has. We have a Continuity Reserve of several million dollars, and we have the Foundation pool of capital for funding the Foundation, which is another several million dollars. So, as Gonzalo said, these are already invested in things and already [unintelligible].

Joyce Dogniez

Richard, you're breaking up a little bit. I don't know?

Richard Barnes

I was talking about [unintelligible].

Gonzalo Camarillo

Yeah, I was writing to Richard saying, Richard, you may want to disconnect your video because you seem to have...

Joyce Dogniez

Bandwidth issues.

Gonzalo Camarillo

So, yeah, Richard was basically stressing the point I was making before. I understand that not everybody may be familiar with how ISOC manages money, not in the new situation, but so far. Many people thought that this is completely new. Now you're going to be investing, and you're going to become a hedge fund, or something like that. That's not the case. We are just expanding the amount of money we would be investing in these ethical funds, and ethical instruments. As you said before, Sébastien, it's not that we will just randomly pick; Or Yeah, Google and Microsoft seem to be doing well, let's pick some stock. We are having professional advice, and they, of course, are distributing and diversifying our portfolio to meet our risk profile. And even further on, it's not only our risk profile, we have different buckets that they are invested in different ways. For example, the rainy day fund is invested in a different way than the operations fund. The operations fund, you need cash and liquid assets, pretty much. You cannot invest it in the same way as something that may be available if you need it at some point. Just to be clear, we have actual running code and experience doing that, but it's true that this would be one order of magnitude higher, if everything goes through Okay, so just let me close the loop. So Sébastien is saying, yes, but it is currently to preserve the capital, not to have the creation. Okay, that's another question that we get, and thanks for the question. Many people have made the claim that: Oh, now ISOC is going to be extremely much more wealthier than before, right? That's not the way this works,. What we are going to do is to replace the stream of money that we get from PIR with another stream of money, which has less risk associated to it. But the operation of money we will have for operations, and on grants and everything, will be very similar to the one we were getting before. That has been the goal. So, in that sense, don't expect us to just take, 1 billion US dollars and invest it in the first year. We will be working with very similar budgets to do what we have been doing so far. That's basically the idea. To your point, if we want to grow the amount of money? Obviously, the idea of an endowment is that you usually don't touch the corpus of the endowment, that's the capital. So, you actually work out of what you are getting from it. You always have to make some money out of investments. Otherwise, you know, you will be losing money all the time until eventually you will, you will end up without money. So, just to be clear, the idea is not to take tremendous risk to increase the capital as maximum, the idea is to basically have a stream of money that replaces what we get today with less risk. That's the executive summary.

Joyce Dogniez

So let's try Richard again. He switched network. So, let's see if, if you can say what he wrote. Go on, Richard,

Richard Barnes

Am I more audible here?

Joyce Dogniez

Yes. Perfect.

Richard Barnes

Excellent. Sorry about that. The point I was going to make is that we already have investment committees that spend a lot of time developing investment policies, policies for how we deploy the money that we have, in ways that is in keeping with our principles, and in ways that preserves the capital and grows the capital. So, we have some experience creating these policies, and we expect that we will create -- spend some time creating that -- the policy for how we would manage this endowment, how we would think about managing an endowment that's in line with our principles. And this is something, as Gonzalo pointed out, that is routinely done by endowments certain nonprofits, like universities, like other charitable organizations. We announced a little while ago, we're planning to do a community consultation on how to govern this new Connected Giving Foundation overall, and I think definitely we can envision having community input into that investment policy be a dimension of that discussion, and a dimension of that governance question. So, I think that having community input to these investment plans is -- our investment policies -- is a something you see other nonprofits demonstrate, and its a discussion would be very open to talk about, how we would govern this Connected Giving Foundation that would manage this pool of capital, causes.

Joyce Dogniez

Thank you, Richard. The other Richard Richard Hill has posted a comment. Richard, I'll just read it out because I think some people are joining by phone and may not see the chat. Richard is commenting that it would have been better to have asked for community input regarding the transaction. I know that you didn't, because Ethos didn't want it. But I still think it was a mistake to accept that.

Joyce Dogniez

Gonzalo? Want to comment on that?

Gonzalo Camarillo

That's more of a statement than a question, right? Jokes aside, I know your opinion. You have made it very clear. We explained the reasons why we did that, and we know that you don't agree with those reasons. I don't think I could say anything else at this point that would provide you with more info or anything, I think it's quite clear where we are, and this is one of the points where we may need to agree to disagree, but thanks for the statement. To be clear, all these things we have pointed out several times. We were working with our legal advice and all of that. It's not that the board was unilaterally deciding on those things. Our legal advice and financial advice was there, and we were talking to them all the time, and that was basically the decision process.

Joyce Dogniez

We have another question Gonzalo, but I'll just ask whoever it was to quickly put in the chat, or to speak up to say who's asking the question, because it looks like you're, you're still logged in through the ISOC Chapter Support connection. I'll read out the question while while we wait for the chat. it's Satish. Hi, Satish. So, looking beyond the PIR sale itself, it's apparent loss of ISOC's reputation and trust, confidence within the community, that has been the most significant casualty in the last few months. Would you say that this has been a significant problem? What measures do you have in mind, in addition to communications, quote unquote, to rebuild community confidence whether or not the deal goes through?

Gonzalo Camarillo

Yeah, of course, we are working on with the community, and with our communications and everything. But, if I understand the question, it's not that we're going to just release a communication thing, and continue doing the same thing. We are continuously evolving the organization, and coming up with new things that would be appealing to the community. Let me mention a few of them. As I said before, we have just set up the Foundation. And, as you may know, the Foundation has different buckets. So, we're going to be giving money back to the community, that's the whole point of the Foundation. On different areas -- and some areas are more advanced than others -- but some areas they have already started giving grants, and others, they will start soon. A few months ago they were discussing, for example, the ones about research and innovation. So, those may be ready at some point in the future. We are actually working on providing even more value to all our community, on that front. With regards to when the deal goes through, as Richard mentioned before, and I mentioned as well in an email some time ago, we're going to be reaching out to the community to understand how to put together a structure that makes sense for the Connectivity Giving Foundation, which would be the entity that receives the money and funds ISOC, and the Foundation. Again, we expect a lot of community involvement. And last, just to mention three examples. Last, but definitely not least, yesterday we were providing responses to the advice that the Chapter Advisory Council sent us, and there were three pieces of advice. In two of them, we were saying that right now, with all this uncertainty, is not the time to start looking at governance issues, how we want to structure things down the road. But, as soon as, let's say, the dust settles, this is something that we absolutely want to look at. We will also have efforts looking at the governance of ISOC, looking at the roles of different advisory councils and everything, also looking at how to get more engagement from the community. I was discussing on the mailing list with our our chapter friends -- this is something that I've been talking to the chairs of the Chapter Advisory Council, to Avri, to Richard later, nowadays with Eduardo -- that I really would like to get the communities more engaged. And not only the Chapter Advisory Council, by the way, we we have the same conversation with OMAC, and the OMAC chairs. So, just to get you all up to speed -- you can see that in the videos that we post after every board meeting, because everything is there in YouTube -- the conversations we are having with them all the time is that we would like to push more responsibility into those communities. But, to do that, it's really important that there is engagement, because otherwise it would make no sense at all to push responsibility, if there's no cycles in the community to take care of it. Certain steps that we already took is, right now, we get OMAC and the Chapter Advisory Council to appoint one of the members in the NomCom. Before it was the board doing that. So we are having also these type of steps to get the community more and more and more engaged. Those are the most important examples of activities we are doing together with the community. In addition, of course, to the communication plan that James is working on

Joyce Dogniez

Gonzalo, we are jumping back a little bit to the conversation on the lack of public consultations. Richard made a comment, and then rephrased the question: Understanding the fact that there was a lack of public consultation has had a very negative consequence, so he just wanted to get some clarity on whether the board -- I'll broaden it to the board, Richard, I hope that's okay. because I think that's what you mean -- whether you agree that was something that is actually happening.

Gonzalo Camarillo

Yeah, I'm reading Richard's question now. So, he's telling me if I agree that the lack of public consultation had significant negative consequence. Sometimes I feel like a broken record, because I have answered this question many times, but here we go again. This is obviously something that the Board thought about, right? Because sometimes, you know, these questions, they kind of seem to give the impression that we were just living in a separate universe, and we are completely unaware of the dynamics of our communities. We had this conversation, as I said before, with our legal advisers on our financial advisers. Because, as you know, our tendency, and what we have been doing all this time, is to consult with the community on every single major issue. You could say: Well, I mean, you are just saying that. But just let me go back three or four years, we were consulting the community on the mission and vision. We've been consulting the community on everything. We talk to the community. The idea was, we want the board to be more transparent, we immediately publish all our board meetings, YouTube, publicly, et cetera, et cetera. So, we had that conversation, and it was a trade off? A trade off, what does it mean? That it has negative consequences and positive consequences? You have to put them in the balance. So, Richard, answering your questions, of course, we understood that they were going to be negative consequences. But, when putting everything, we decided to do that. And those type of decisions, as I said in the past, they are the ones that are more difficult, because when you have just a variable, and you have to maximize it or minimize it, that is pretty easy, right? When you have several variables, and it's not about maximizing or minimizing, it's about compromises and trade offs, this is when things get complicated. So to answer your question, yes, we expected that not everything, 100% of everything, was going to be positive. We made the decision anyway. And we are just executing on that. So, I hope it makes sense. I know that we have talked about this, and discussed in the past, and this is the same message I delivered in the past. But, as I said, that's the way the decision took place.

Joyce Dogniez

Thank you. There's a couple of questions from Salvi. I'm trying to distill, because there's lots of introduction. So I think, Salvi please jump in and speak if it's at all possible, it might be easier, but I'm trying to distill one of the questions here: What is making an endowment a better signal than showing that ISOC stands behind PIR through thick and thin? Richard already answered part of this on the chat, but I think it might be worth answering in voice as well on that one, Gonzalo.

Gonzalo Camarillo

Yeah, I was reading Salvi's question. If I can talk to that, I guess the gist of the question is that Salvi is saying that, for the Internet Society to claim that we support the Internet, we need to be the .org operator. That doesn't make so much sense. I mean, the Internet is so much more than a domain name, or even the whole domain system, or the whole DNS, right? This is something that is a bit surprising to me. Because ISOC does such a good job, in so many areas. So, the fact that someone could claim that because we are not an operator in the DNS area, we don't care about the Internet is just puzzling to me. We have 50% of the world population unconnected. If that's not a big enough challenge, which has little to do with the DNS, please let me let me know what it is. The policy area: we have a lot of policies that don't have to do with the DNS in the standardization area. There's a lot of protocols and technical solutions that don't have to do with the DNS. As important as the DNS is, as important as PIR is, as important as .org is, it's just a part of ISOC. Nobody can claim that Internet

Society doesn't care about the Internet, just because we are not operating that. On the contrary, as I said before, and again, I'm sounding like a broken record again, it actually fixes this moral hazard. If the Internet Society is supposed to give advice, and advocate for sound policies, how can we do that if we are getting our money from one part of the industry? I mean, this is a clear conflict of interest, right? This deal actually solves that. So when we say anything about DNS policies, for example, it would carry actually much more weight than, if we had been getting money from that industry, because, you know, everybody could claim: Well, you are saying that because, obviously, you get all your funding from there. I don't share the concern that just because we would not be the owner of PIR, we would not care about the Internet at all. The internet is much, much, much wider than that.

Joyce Dogniez

Richard, did you want to add something?

Richard Barnes

I wanted to add a little bit on that. I'd like to emphasize Gonzalo's point that it's really easy to get kind of tunnel vision here, and get super focused on, not just the DNS -- as Narelle pointed out -- the Internet is way bigger than the DNS, and the DNS is way bigger than PIR. It's really easy to get laser-focused on .org because that's the thing that is in the news today. But, the reality is the Internet, and the Internet Society's mission is way bigger than all of this. The way we make difference in the universe, the better we bring to the world, is not about leasing domain names to nonprofits, it's about that wider mission of supporting the Internet. I'd like to also address Salvi's question about the investment policy and whether we published anything, and I don't think we have, I think this is an interesting question to have in this governance discussion. Historically, I don't think we have published our investment policies, because they've been more oriented around maintaining capital, and they were more routine and less impact oriented.

Richard Barnes

Let me stop video.

Richard Barnes

I think one of the questions that is good to discuss, in this governance conversation, is now that we have this bigger pool of money, and a chance to deploy it more, how can we deploy that to best balance the two ways it can have impact. It can have impact by providing money to ISOC that we use to fulfill our mission, and it can have an impact by investing. That's a discussion we're going to have to have, as we figure out how to invest this pool of money. Just so people are prepared, it's not going to be a simple question, how we involve the community in that. Because when you're talking about managing big pools of money like that, there is a degree of confidentiality that's necessary. Much like there's a degree of confidentiality in how PIR is managed, the community didn't have direct insight into all of PIR's business. There's going to be a need for some level of confidentiality on these questions., but also, I think, we can design some ways to have robust community input on these questions as well. That's the discussion will have in this community consultation that we've talked about before. So, I'm actually really looking forward to that.

Joyce Dogniez

Thank you, Richard. We have Walid who raised his hand, as well. Walid, please?

Walid Al Saqaf

Yes. Hello, everyone. Do you hear me well?

Gonzalo Camarillo

Yes, please go ahead.

Walid Al Saqaf

Good, good. I have turned out my video to save bandwidth. The idea here is that -- I wanted to reflect on this for a while now -- many of you know my background, and I've been an advocate all my life, more or less, professional life. And when it came to the issue of the deal, there were very strong, as Gonzalo mentioned, very strong opinions, very strong discussions. But then you come to a position of having to weigh your responsibility. A trustee has to look into the judiciary action that he takes, the judiciary role that he plays. One area is that we look into the long term benefit of the organization that you've been appointed as a trustee to protect. So we considered that, and we considered the mandate of ISOC, which is indeed, as Gonzalo mentioned, beyond DNS, beyond the .org domain. We understood that there will be obviously a very strong critique, and a strong position by many, but then we looked into the bigger picture. We zoomed out. Because, when you get stuck in your position, and defend it without understanding the bigger picture, you may end up harming more than you would be giving to the Internet Society as a whole. So, it's not that we didn't consider this. I'm talking, on my behalf, as an individual, but I understand that other trustees had that as well. So, we always think about the bigger picture, we always understand what is it that can happen in the long run. And that's the responsibility we have to take, even if we internally -- have an internal conflict in some areas, we consider that the longstanding of ISOC is what matters the most. Of course, we're not angels. There may have been misjudgments, or misunderstanding or, let's say, underestimations of certain things, but the essence of it, we wanted a stronger Internet, we wanted a lasting ISOC, we wanted an ISOC that can survive various risks in the domain name system. And that cannot happen if we keep on relying on this single entity in the single industry, as mentioned earlier. Adding to that, we also are aware that .org would benefit more with people or entities that can invest. It's like any business. It's still a business even though it's for not profits, it's for the public interest, it's still a business. And that's something we need to emphasize. You want .org customers to be much more valued, given the services that they wanted in a much more robust and effective way. And a long term investment in .org is something that ISOC cannot give that, as it stands. So all these combined thoughts, and all of these calculations, and legal advice, and all sorts of factors played into compromising the confidentiality -- I mean, compromising transparency from the beginning, in favor of the long term stance of ISOC. So, it's just to reflect onto you that there are not always alien thoughts to what you think. We all are human beings, and we have portions of our understanding of reality distorted or hidden sometimes, but it comes back to the main bigger picture, and the responsibility we had to take at the time. So, this is a bit of a reflection of what the various mixed thoughts were in my mind when taking the decision, and I hope now you understand how it came to be. Thank you.

Gonzalo Camarillo

Thank you, Walid.

Joyce Dogniez

Thank you, Walid. We have a question from Peter. Peter, would you want to jump in, or you want me to read?

Peter Koch

Hi Joyce. I can, without repeating everything I wrote. So this is Peter from ISOC DE, by the way.

Gonzalo Camarillo

Hello, Peter.

Peter Koch

Hi, Gonzalo, and everybody else. So, I was trying to be a bit more forward looking here in terms of damage control, and how do we get out of part of the debris that we are in, in terms of reputation and the ability of chapters to act on the local level. Given that there is a -- at least in Europe -- we have a windfall of crazy regulation going on, and we need people to support us with, as I wrote the feet on the ground. At least, I need human bodies to reflect ideas to, and we need to get that started, or get ready to work on that. Given the dented reputation, and that's probably a bit difficult, but also, at the same time, the reorg that, at least, leaves me in confusion confusion, but as far as I've seen, other people as well. Maybe this is not the right point to address this, but I'd like to raise that this is important for us on the chapter level, and we'd like to have at least a vision, how quick that can be resolved. Or, at least, started to be resolved. Thank you.

Gonzalo Camarillo

Yeah, to be fair, as you can imagine, the reorg, our initial plan was much more aggressive. We've been working, I can tell you, a lot on this. That's why they reorg was a bit slower than expected. Talking about time frames, as you know, the deadline for ICANN to make a decision. right now it's March 20. That may happen in a month from now, in a few weeks, and then from there, we'll see. That's the timeframe you were asking about, that of the deal. Regarding people on the ground, and people supporting you, if you feel that you need more, or you have fewer than before, or whatever, please reach out to Andrew. Andrew will support you in that, that's more kind of a management role, to make sure that we are supporting you properly. Andrew will be happy to help you with that. So, that's good. I don't know if, at some point, it would be worthwhile to talk a bit about the the organization, so that people understand the thinking behind it, and everything but, to be honest, that was presented in the board meeting, we always do that. If you go to that video, you can actually watch the presentation that Andrew was giving to us. You can get an idea of what was going on. Maybe, when everything is settled, we will organize another webinar, and present that, or answer questions, or you know prepare some material distributed, but we we take note of of that, so that people understand, what is the new structure, and what we are trying to do.

Joyce Dogniez

Thank you, Gonzalo. We have another question from Salvi, what is the sales pitch for iSOC, after PIR isn't part of our equation anymore? So, there's a bit of conversation going on into chat as well on that, on how do you actually talk about ISOC without PIR?

Gonzalo Camarillo

I think I answered that question before. ISOC, we do so many things that don't relate to PIR that are part of our pitch, and they have been all the time. As I said before, I mentioned a few of them, we are supporting the IETF, they do really important work in the technical area, and the IAB for that matter. We have the Foundation, and the Foundation is providing funding for different type of things, as I said. We have different buckets, like disaster relief. We have research on innovation, where we are trying to find gaps where funding maybe low out there, and we are actually filling those gaps. We have Beyond the Net grants, as you all obviously know. We do a lot of things and, and those are our supporting organizations. If any of you think of ISOC itself, we have also [unintelligible] operations, we are driving community networks. we are doing a lot of things that go well beyond handling PIR. Also, just to be clear, sometimes these questions mean that there may be an underlying misconception, which is that ISOC was actively managing .org. Some people may think that our staff was doing that. This is actually not true. We had an arm's length interface with PIR. They were actually the ones dealing with this. We were, of course, the sole member of PIR, that's true. But, just to make sure that everybody's on the same page, we were not having an active role, managing technically the actual domain.

Joyce Dogniez

Thank you, Gonzalo. So Walid, I just want to check with you, cause we're not sure whether your hand is a new hand, or if it was the old hand.

Joyce Dogniez

It was it was an old hand. Thank you.

Joyce Dogniez

So next up, we have Nabil. Nabil Bukhalid from Lebanon. Hi, Nabil..

Nabil Bukhalid

Hi. Hello. As you mentioned, Nabil Bukhalid from Lebanon chapter. I believe that the diversification of income for ISOC is a good thing to do. I disagree with the wrong consultation issue, but my question is: How were you able to reach the conclusion that this is the best offer without bidding and without auction?

Gonzalo Camarillo

Yeah. So, we have said in the past that we had several offers. This is not one single offer that you would say, okay. So, we had comparison points. And, second, as I also said before, we had our legal and financial advisors, they analyzed the market. Of course, when you have an asset that you are planning to sell, or considering to sell, you have to make a valuation. So, we did that, and with all this information the conclusion was that going on a public auction, or public bid, as you mentioned, would

be damaging to the asset itself, in this case, PIR, its employees, and all that, and to the price that we could get out of it. So that was how the process ran.

Joyce Dogniez

Thank you. I'm looking at the time as well. And we have Greg Shatan next on the list, Greg from the New York chapter. Hi, Greg.

Greg Shatan

Hi, good morning. Greg Shatan from ISOC New York. The news about the .org sale has reached far beyond the community that really understands and knows anything about the Internet Society, or maybe even has heard about the Internet Society. In the internet world there are only a few news stories a year that reach out into the general press, and to Congress, and to the public. What are ISOC's plans to better publicize its good work, and overall how it supports the Internet, into this broader community. I think that is part of the damage control, so to speak, is to reach out beyond the usual people who already know, what ISOC does. Thank you.,

Gonzalo Camarillo

Exactly. Thank you, Greg. That's an excellent question. This is basically what we have tasked James. He's somewhere in the mosaic, in the video. He's our Head of Communications. This is one of the things that we're going to be discussing in our upcoming -- Yeah, he's waving there. Hello, James. -- this is the one of the things that we're going to be discussing with the board in the upcoming board meeting, we have now in a couple of weeks, I guess. I agree with you, because sometimes it's easy to reach out within the group you already know, and that's just natural. You like to be in the comfort zone, and that's it. But, at the end of the day, I fully agree with you that this is kind of preaching to the choir. You are preaching to people that already agree with you. One of the things we're doing is, as you said, analyzing what are the audiences that should be getting our message, what type of message we should be delivering. Because, the fact that we are answering these questions in this session, for example, tells you a lot -- that many people associate ISOC, what do they do, oh, they run a domain name. We have to make sure that they understand that we do much more. We need to make sure they understand the master plan, all that. To kick that off a bit, that was the reason we published the blog I mentioned before, in December, just to give kind of a super high-level structure, the helicopter view if you want, of the things that we've been doing in the last years, so that people can start seeing the forest for the trees, and then we'll take it from there. Just to say, that's exactly what we are trying to do, and I think you identified very well what needs to be done in terms of reputation building, and all that. Thank you, Greg.

Joyce Dogniez

Thank you very much. I see, some of the questions have been answered in the in the chat. So, I'll jump over from Millogo. I'll jump over your question. I see Richard actually answered your question. Luis? You had some questions on more understandable material. I think Gonzalo was asking for some more clarification on what exactly was needed, so if we can follow u up on that in the chat as well. And then I have one last one from Eduardo before wrapping up. There we have a question on -- let me just rephrase that. There was a possible conflict of interest with PIR. There's an impression of this discussion has been happening within the Board of Trustees for a while now. So, why did the Board of

Trustees wait until now for someone like Ethos to come with an offer that required an MBA, versus putting the PIR sale way before -- opening up the PIR sale way before, and do an open bid? So it's more on the timing of..

Gonzalo Camarillo

Yeah, thanks, Eduardo. It's not that the Board of Trustees was discussing this conflict of interest. It's more like a moral hazard. But yeah, conflict of interest. Yeah, it's a conflict of interest, in any way. It's not that we were discussing this all the time. This is something that everybody knew it, right. I mean, everybody in the community. Like you just need to think two seconds to realize that an organization that is providing advocacy in an area cannot be basically getting money from one part of that industry. This is common sense. But, to be honest as well, this is not a huge problem. We've been operating like this forever, and it's been okay. So that's why we never thought: Oh, we have this small problem, let's sell PIR. This is nothing that we thought. As we said, when we got this offer is when we thought: Wait a second, let's analyze this. So, just answering your question, it's not anything that we were basically thinking of. And, as I said before, the primary reason was the risk diversification. This moral hazard, or conflict of interest, is a secondary reason, and that's why I mentioned it before after that. I don't want people to think that this was the main reason because it's not. As I said, it's not a huge problem. It is an issue, but not a huge problem. The risk is much more important in my opinion -- and not only my opinion -- I think we were discussing on the list, the Boards. at least. I checked back 10 years, and probably even before, but I didn't bother to check further. The boards have been looking actually to diversify, ways into into which they could diversify the revenue streams of ISOC. And this has been going on, as I said, for, you know, 10 years at least. So, that was the main driver when when we got this offer, we made a decision. In the past, the board has tried many things to diversify revenue, not very successfully, I have to say, but this is basically probably the most solid plan for us, hedging risk and diversifying our interest that has been done so far, obviously.

Joyce Dogniez

Thank you. We are one minute past the hour, so I am..

Gonzalo Camarillo

Maybe Joyce, before you close. Just to close the loop with Luis because I was answering, and then I got distracted. So, Luis, you were asking for some information. Please reach out to me or Andrew with the type of information you think is needed. I will be happy to work with you on providing you with that. So thanks for that. Sorry, Joyce, please.

Joyce Dogniez

No problem. Thank you. So, we will close the call. Thank you very much Gonzalo. Thank you very much, Richard, Walid, and all the other board members that have joined us today as well, to participate in the conversation. Thank you everybody for joining. As I said, it's a Friday, so thank you for joining us in this constructive conversation today. We will continue the conversation going forward. Obviously, there's been talks of consultations going forward, as well, as the process goes along. So, stay tuned for that. We will share the recording of the call, and Salvi I believe it was you was asking for the chat, it will be part of the what we will post on the Chapter Delegate list. Stay tuned for that. And, again, thank you very much for joining, and looking forward to seeing or hearing you very soon all. Thank you