

## CWG IANA Budget Call 9 Feb 16 Background Message

This call is organized so that the main drafters in the CWG (Chuck) and CCWG (Jordan/Jonathan) can provide an update to the CWG members about the compromise on the IANA budget recommendation.

Provided below is the background and objectives of the CWG IANA Budget Call scheduled for 9 February 2016 at 20:00 UTC.

### Background

On 4 February Paul Kane sent a message to Lise Fuhr that contained the following concerns about the CCWG Accountability third proposal with regard to the IANA budget:

- “The goal must always be stable operation of the independent (affiliate) PTI company so the part that is missing now is: the need to ring-fence say 3 or 5 years worth of operating budget in an escrow style account.
- “There may be an attempt to push that to implementation phase but being in the Bylaws is more appropriate as it is a legal obligation to support PTI.
- “The PTI staff need to know/be assured they are outside the financial manipulation of the ICANN Board and have the resources to undertake their role for 3/5 years .... also if there is to be a change of operator they need to have the funds to facilitate the change and also for the new operator to know that initial funding is available.”

Here is my interpretation of the changes to the CCWG proposal that Paul thinks are missing:

1. Putting aside an amount of money for funding PTI for 3 to 5 years
2. Adding to the Bylaws a requirement to guarantee 3 to 5 years of PTI funding
3. Including in the IANA budget funds to transition the IANA functions from PTI to a new operator if needed.

Design Team O (IANA Budget) discussed the possibility of ideas like creating an escrow account to cover multiyear funding of IANA but did not specifically recommend that.

Paul – Please correct me if my interpretation is incorrect in any way.

In the CCWG 3<sup>rd</sup> proposal, the IANA budget is discussed in paragraphs 15 to 22; here are the elements of the CCWG 3<sup>rd</sup> proposal that I think are particularly pertinent to Paul’s concerns:

- a. “Should the power be used to reject the annual IANA Functions Budget, a caretaker budget would be **enacted implemented** (details regarding the caretaker budget are currently under development **as noted above for the ICANN Budget**). **The CCWG-Accountability also recommends that the caretaker budget approach be embedded in the Fundamental Bylaws, including the responsibility of the CFO to establish the caretaker budget in accordance with the defined approach.**” (unnumbered paragraph after paragraph 19)
- b. “**The CCWG-Accountability acknowledges that the CWG-Stewardship (or a successor implementation group) is required to develop a proposed process for the IANA Functions Operations-specific budget establishment and review. This process will be a key input for the implementation of this specific power.**” (paragraph 20)
- c. “**The CWG-Stewardship may wish to detail the planning process by which the IANA Budget is established as part of its implementation programme of work, including the level of detail required to be provided for community input and the timeframes for consultations and**

approvals. The CCWG-Accountability limits its requirements to those set out in this Recommendation.” (paragraph 21)

- d. “. . . The process must also be implemented in such a way as to ensure the stable and continuous delivery of the IANA Functions, and that ensures the proper delivery of contractual service levels to the respective operational communities.” (paragraph 22)

### Chuck’s Analysis

In my opinion, the CCWG proposal ensures stable operation of the IANA functions in these ways: Developing a process for establishment & review of the IANA Functions Operations-specific budget (paragraph b above) and development of an IANA caretaker budget that would be implemented if the IANA budget is rejected (paragraphs a & c above). I think this is in lieu of ring-fencing IANA funding for 3-5 years as Paul suggests. To address Paul’s item 2 above, should these be included in the bylaws?

Question for Paul: is the development of an IANA operations budget combined with the development and implementation of an IANA caretaker budget sufficient to address your concern for stable funding of IANA services? If not, I believe a change would have to be made to the CWG Stewardship requirement, which I think would require full CWG Stewardship approval.

To my knowledge, the CWG Stewardship has never decided to “detail the planning process by which the IANA Budget is established as part of its implementation programme of work, including the level of detail required to be provided for community input and the timeframes for consultations and approvals” (see item c above).

I don’t believe there is anything in the CWG Stewardship proposal or in the CCWG proposal that requires that the IANA budget include funds to transition the IANA functions from PTI to a new operator if needed. Is this a requirement that we should add?

### Call Objectives

Decide whether:

- A. The requirement for the development of an IANA operations budget combined with the development and implementation of an IANA caretaker budget sufficient to ensure stability of IANA services funding or should we add to the CWG requirements that
- B. The CWG Stewardship should “detail the planning process by which the IANA Budget is established as part of its implementation programme of work, including the level of detail required to be provided for community input and the timeframes for consultations and approvals” (see item c above).
- C. Requirements of the IANA budget and IANA caretaker budget development processes should be in the Bylaws.

### References

- i. Email summarizing the outcome of the budget agreements between the two groups: <http://mm.icann.org/pipermail/accountability-cross-community/2016-January/009976.html>
- i. Annex 04 – Details on Recommendation #4: Ensuring Community Involvement in ICANN Decision-making: Seven New Community Powers from the CCWG 3<sup>rd</sup> draft proposal (attached) – This contains the paragraphs referred to above.