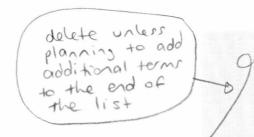# Response to the IANA Stewardship Transition Coordination Group Request for Proposals on the IANA Stewardship Transition from the Cross Community Working Group on Naming Related Functions
(CWG-Stewardship)

Table of Contents

[Handwritten note: delete unless planning to add additional terms to the end of the list]

GLOSSARY

Below are acronyms used throughout the document. Additional useful acronyms have been provided at the end of the list as they may be referenced in related CWG-Stewardship documents.

- **AC**: Advisory Committee
- **ALAC:** At-Large Advisory Committee
- **AOC**: Affirmation of Commitments
- **ASO**: Address Supporting Organization
- **ccNSO**: Country Code Names Supporting Organization
- **ccTLD**: Country Code Top-Level Domain
- **CCWG-Accountability**: Cross Community Working Group on Enhancing ICANN Accountability
- **CO**: Contracting Officer
- **COR**: Contracting Officer's Representative
- **CRISP Team**: Consolidated RIR IANA Stewardship Transition Proposal Team
- **CSC**: Customer Standing Committee
- **CSCRP**: Customer Service Complaint Resolution Process
- **CWG-Stewardship**: Cross Community Working Group to Develop an IANA Stewardship Transition Proposal on Naming Related Functions
- **DNS**: Domain Name System
- **DNSSEC**: Domain Name System Security Extensions
- **DRDWG**: Delegation and Re-delegation Working Group
- **DT**: Design Team
- **FOIWG**: Framework of Interpretation Working Group
- **GAC**: Governmental Advisory Committee
- **GNSO**: Generic Names Supporting Organization
- **gTLD**: Generic Top-Level Domain
- **IANA**: Internet Assigned Numbers Authority
- **ICANN**: Internet Corporation for Assigned Names and Numbers
- **ICC**: International Chamber of Commerce
- **ICG**: IANA Stewardship Transition Coordination Group
- **ICP**: Internet Coordination Policy
- **IDN**: Internationalized Domain Name
- **IETF**: Internet Engineering Task Force
- **IFO**: IANA Functions Operator

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Response to the IANA Stewardship Transition Coordination Group Request for Proposals on the IANA Stewardship Transition from the Cross Community Working Group on Naming Related Functions (CWG-Stewardship)

01 **Abstract**

02 This document is a response from the Internet Names Community to the IANA Stewardship Transition Coordination Group (ICG) Request for Proposals (RFP) made on September 8, 2014.

03 Please note that an appendix is included at the end of this document.

annexes are ?

04 **Proposal type**

05 *Identify which category of the IANA Functions this submission proposes to address:*

[X] Names   [ ] Numbers   [ ] Protocol Parameters

I. The Community's Use of the IANA

06 *This section should list the specific, distinct IANA services or activities your community relies on. For each IANA service or activity on which your community relies, please provide the following:*

- *A description of the service or activity.*
- *A description of the customer of the service or activity.*
- *What registries are involved in providing the service or activity.*
- *A description of any overlaps or interdependencies between your IANA requirements and the functions required by other customer communities*

07 **I.A.   The service or activity**

08 The IANA activities, as described in the current IANA Functions Contract, relevant to the Internet Naming Community are:

1) Root Zone Change Request Management – not including delegation and redelegation (NTIA IANA Functions Contract: C.2.9.2.a).

2) Root Zone "WHOIS" Change Request and Database Management (NTIA IANA Functions Contract: C.2.9.2.b).

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31   **How disputes about policy are resolved (ccTLDs)**

32   Section 3.4 of RFC1591 provided for a dispute resolution mechanism. However, the body listed in the document does not currently exist. Most ccTLDs do not have any contracts that specify a dispute resolution mechanism with ICANN.

33   For those ccTLDs that do not have a contract with ICANN that specifies dispute resolution mechanisms, the ICANN-provided escalation paths available to them are the ICANN Ombudsman and the ICANN Bylaws relating to the Independent Review of ICANN Board Actions (which would only apply to the relevant Board action (i.e., delegations and redelegations in this case). Given that these mechanisms are non-binding on the Board or ICANN, they are perceived by many ccTLDs as being of limited value.

34   There are additional sources of accountability for the limited number of ccTLDs that have formal Sponsorship Agreements or Frameworks of Accountability with ICANN. These types of agreements have dispute resolution clauses to settle disagreements between the parties that are relevant to all actions and activities by the Operator for ccTLDs. These typically use the International Chamber of Commerce (ICC).

35   It is also important to note that local laws applicable to ccTLDs, or IDN ccTLDs, associated with a specific country or territory are developed by the governments of those countries or territories and that disputes with respect to such laws can be handled in courts of competent jurisdiction.

36   **References to documentation of policy development and dispute resolution processes (ccTLDs)**

   O RFC1591: https://www.ietf.org/rfc/rfc1591.txt.

   O ICP 1: https://www.icann.org/icp/icp-1.htm.

   O FOIWG Final Report: http://ccnso.icann.org/workinggroups/foi-final-resolutions-11feb15-en.pdf.

   O Independent Review Panel (IRP): https://www.icann.org/resources/pages/irp-2012-02-25-en.

   O ICANN Ombudsman: https://www.icann.org/resources/pages/governance/bylaws-en#AnnexB.

   O GAC Principles 2005: https://gacweb.icann.org/download/attachments/28278844/ccTLD_Principles_0.pdf?version=1&modificationDate=1312385141000&api=v2.

37   **II.A.ii. Affected IANA Service (gTLDs)**   # space

38   Delegation and redelegation of Generic Top-Level Domains (gTLDs).

39   **How policy is developed and established by whom (gTLDs)**

40   The Generic Names Supporting Organization(GNSO) is responsible for developing and recommending to the ICANN Board substantive policies relating to gTLDs. The GNSO policy development process is a complex and well-described process that would dwarf this

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- O Formal definition of the requirements and expectations of IANA by the NTIA – statement of work (oversight).

- O Establishment and external monitoring of quality control and performance evaluation mechanisms (oversight and transparency).

- O Issue resolution (accountability).

- **O** In relation to NTIA's role as Root Zone Management Process Administrator:

  - O Approval of all changes to the content of the Root Zone (oversight and accountability).

  - O Approval of all changes to the Root Zone environment, such as the implementation of DNSSEC (oversight and accountability).

  - O Approval of all external communications and reporting by IANA to external parties (oversight and accountability).

The public consultation on the CWG-Stewardship's initial transition proposal of 1 December 2014 confirmed that the respondents were very satisfied with the current performance of ICANN as the IFO. Therefore, that any new arrangements should maintain ICANN as the IFO at the time of transition and seek to implement mechanisms which could ensure similarly effective oversight and accountability *(designed to provide)* (as those currently in place) while minimizing *(minimize)* complexity and costs and also maintaining the security, stability, and resiliency of the DNS and Internet. The public consultation on the CWG-Stewardship's second draft proposal in Month 2015 confirmed broad support for PTI and related structures, such as the IANA Function Review (IFR) and Customer Standing Committee (CSC). The CWG-Stewardship reviewed all input received and has updated the proposal accordingly.[1]

In order to meet community expectations for the stewardship of the IANA Functions related to naming, the CWG-Stewardship, working on the premise that there is current satisfaction with ICANN's IANA department performance and that ICANN should remain the IANA Functions Operator, agreed that a satisfactory transition proposal for the names community would require the following elements:

- **O** A contract similar to the current NTIA IANA Functions Contract to perform the IANA names functions post-transition;

- **O** The ability for the multistakeholder community to ensure that ICANN acts according to community requests with respect to IANA names operations;

- **O** Additional insulation, as needed, between operational and policymaking responsibilities and protections for the IFO;

- **O** A mechanism to approve changes to the Root Zone environment (with NTIA no longer providing oversight);

- **O** The ability to ensure that the IANA Functions are adequately funded by ICANN;

- **O** The ability for the multistakeholder community to require, and if necessary and after substantial opportunities for remediation, the selection of a new operator for the IANA Functions as they relate to names.

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[1] See public comment review tool [include link] which categorizes all the input received according the sections of the proposal and responses to each of these comments from the CWG-Stewardship.

104 105 It should be noted that while this proposal originates from within the names community, it anticipates that, for reasons of coherence of the IANA function and overall operational logistics, that all of the IANA functions will move to PTI. However, it is not clear at the time of writing whether the other operational communities will undertake to contract directly with PTI (similar to the manner in which this response envisages ICANN will do), or whether those communities would have a contract with ICANN. If the other operational communities contract directly with PTI, then those communities would need to determine the terms of their contract with PTI for the support of their respective functions. On the other hand, if the other operational communities enter into a contract with ICANN, then ICANN would need to subcontract the performance of the functions to PTI. Which of these approaches is followed by the other operational communities is not relevant for the purposes of the present proposal, so long as those details are not inconsistent with this proposal. In any case, the arrangements for the non-names IANA functions are out of scope for this document except to the extent they impinge directly on the names functions. The CWG-Stewardship has also agreed that approval of all changes to the content of the Root Zone would no longer need authorization (as is currently the case) and that external communications and reporting would no longer need external approval post-transition. This final proposal attempts to meet all of the above requirements by:

- Creating PTI, a separate legal entity that would be a controlled an affiliate controlled by of ICANN. The creation of PTI ensures both functional and legal separation within the ICANN organization.

- Establishing a contract between PTI and ICANN that would grant PTI the rights to act as the IFO, and set out the rights and obligations of PTI and ICANN.

- Establishing the CSC that is responsible for monitoring IFO performance according to contractual requirements and service level expectations, resolving issues directly with the IFO or escalating them if they cannot be resolved.[5]

- Establishing a series of issue resolution mechanisms to ensure that problems are resolved effectively.

- Ensuring ICANN accepts input from the multistakeholder community with respect to the annual IANA operations budget.

- Establishing a framework to approve changes to the Root Zone environment (with NTIA no longer providing oversight). referenced in

- Establishing a multistakeholder IANA Function Review (IFR) to conduct periodic and special reviews of PTI.[6] The results of the IFR would not be prescribed or restricted and could include recommendations to initiate a separation process (as described below), which could result in termination or non-renewal of the ICANN-PTI IANA functions contract among other actions.

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[4] PTI will be an affiliate in the form of a California public benefit corporation with a single member and that member will be ICANN, with a Board compromised of a majority of Board members appointed by ICANN.
[5] The CSC is not a separate legal entity. The CSC would be authorized by the ICANN governance documents (including the ICANN Bylaws) and the ICANN-PTI IANA Functions Contract.
[6] The IANA Function Review (IFR) would be convened periodically (first review two years after the transition is complete, and thereafter at intervals of no more than five-years at no more than five year intervals every five years). It could also be convened for a special review under certain circumstances further described in the escalation mechanisms section below. The review could be authorized by ICANN's governance documents (including the ICANN Bylaws) and or the ICANN-PTI IANA Functions Contract.

Rider defining "affiliate" included.

Comment [CG2]: This introduces a new qualifier for affiliate. If it adds new meaning, we should define it or at least provide a reference to what it means.

Comment [JMR3]: Agree with Chuck. May be sufficient to simply say an affiliate controlled by ICANN. Or insert a footnote or similar to define.

Comment [MK4]: Comment from Martin: suggestion – given it is an American legal term, shouldn't "affiliate" be explained somewhere?

Comment [MK5]: See proposed definition below.

Comment [MK6]: Updated as suggested by Jonathan and per Chuck's comments.

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It is important to note that the CWG-Stewardship proposal is significantly dependent and expressly conditioned on the implementation of ICANN-level accountability mechanisms by the Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) as described below. The co-chairs of the CWG-Stewardship and the CCWG-Accountability have coordinating their efforts and the CWG-Stewardship is confident that the CCWG-Accountability recommendations, if implemented as envisaged, will meet the requirements that the CWG-Stewardship has previously communicated to the CCWG. If any element of these ICANN level accountability mechanisms is not implemented as contemplated by the CWG-Stewardship proposal, this proposal will require revision. Specifically, the proposed legal structure and overall CWG-Stewardship proposal requires ICANN accountability in the following respects:

1. **ICANN Budget and IANA Budget.** The ability for the community to approve or veto the ICANN budget after it has been approved by the ICANN Board but before it comes into effect. The community may reject the ICANN Budget based on perceived inconsistency with the purpose, mission and role set forth in ICANN's Articles and Bylaws, the global public interest, the needs of ICANN stakeholders, financial stability or other matters of concern to the community. The CWG-Stewardship recommends that the IFO's comprehensive costs should be transparent and ICANN's operating plans and budget should include itemization of all IANA operations costs to the project level and below as needed. An itemization of IANA cost would include "Direct Costs for the IANA department", "Direct Costs for Shared resources" and "Support functions allocation". Furthermore, these costs should be itemized into more specific costs related to each specific function. PTI should also have a yearly budget that is reviewed and approved by the ICANN community on an annual basis. PTI should submit a budget to ICANN at least nine months in advance of the fiscal year to ensure the stability of the IANA services. It is the view of the CWG-Stewardship that the IANA budget should be approved by the ICANN Board in a much earlier timeframe than the overall ICANN budget. The CWG (or a successor implementation group) will need to develop a proposed process for the IANA-specific budget review, which may become a component of the overall budget review.

2. **Community Empowerment Mechanisms.** The empowerment of the multistakeholder community to have the following rights with respect to the ICANN Board, the exercise of which should be ensured by the related creation of a stakeholder community / member group:

    (a) The ability to appoint and remove members of the ICANN Board and to recall the entire ICANN Board;

    (b) The ability to exercise oversight with respect to key ICANN Board decisions (including with respect to the ICANN Board's oversight of the IANA functions) by reviewing and approving (i) ICANN Board decisions with respect to recommendations resulting from an IFR or Special IFR and (ii) the ICANN budget; and

    (c) The ability to approve amendments to ICANN's "fundamental bylaws," as described below.

3. **IFR.** The creation of an IFR which is empowered to conduct periodic and special reviews of the IANA functions (see Annex F). IFRs and Special IFRs would be

automatic renewal, subject to potential non-renewal by ICANN if recommended by the IANA Function Review (see further details below).

PTI Board

As a separate legal entity, PTI will have a board of directors and have the minimum statutorily required responsibilities and powers. The construct of the PTI Board will be a range of 3-5 people to be appointed by ICANN as the sole member of PTI. The PTI Board could be comprised of three directors who are employed by ICANN or PTI (for example, the ICANN Executive responsible for PTI, the ICANN CTO and the IANA Managing Director), and two additional independent directors (who may or may not be members of the ICANN Board). The two additional directors must be nominated using an appropriately rigorous nomination mechanism (e.g. through use of the ICANN Nominating Committee).The CWG-Stewardship expects that this would avoid the need to replicate the complexity of the multistakeholder ICANN Board at the PTI level and maintain primary accountability at the ICANN level. Any issues that arise concerning the PTI and the PTI Board would be addressed through the overarching ICANN accountability mechanisms.[9]

The function of the PTI Board is to provide oversight of the operations of PTI to ensure that PTI meets, at a minimum, applicable statutory requirements under California public benefit corporation laws and, importantly, fulfills its responsibilities under the IANA functions contract with ICANN.

The CWG-Stewardship recommends that the PTI Board skill set be evaluated as a whole and not on a per member basis, while also ensuring that each individual member is suitable and appropriately qualified to serve as a director of PTI in his or her own right. Accordingly, the PTI Board's complete skill set should be balanced and cover an appropriate and complete composite of executive management, operational, technical, financial and corporate governance experience.

IANA Contract and Statement of Work

The issues currently addressed in the NTIA ICANN Functions Contract and related documents would be addressed in the ICANN-PTI IANA functions contract. Furthermore, the CWG-Stewardship expects that a number of existing provisions of the NTIA IANA Functions Contract will be carried over to the PTI Contract in the form of a Statement of Work (SOW), taking into account updates that will need to be made as a result of the changing relationship between IANA and ICANNpost-IANA Stewardship Transition as well as other recommendations outlined in Section III. In order for the community to have confidence in the robust and complete nature of the ICANN-PTI IANA functions contract, the PTI will need to benefit from appropriate and independent legal advice in relation to the contract. The ICANN bylaws would reference the need for periodic and special review of the IANA Statement of Work through the IFR. An overview of provisions expected to be carried over into the ICANN-PTI IANA functions contract can be found in Annex E as well as Annex S which includes a sample term sheet.

IANA Function Review

Comment [MK10]: From Milton: As noted during the phone conversations, some of us do not consider ICANN board members to be independent enough, but others may not agree. So I suggest not mentioning it specifically.

Comment [MK11]: Update as suggested by Milton.

[handwritten annotation: of PTI performance] ?]

[handwritten annotation: (This was deleted, but seems necessary otherwise what is being evaluated?)]

118   The CWG-Stewardship recommends an IANA Function Review (IFR), which would review PTI's performance against the ICANN-PTI Contract and the SOW. The IFR would be obliged to take into account multiple input sources including community comments, CSC evaluations, reports submitted by PTI, and recommendations for technical or process improvements (see Customer Standing Committee section below). The outcomes of reports submitted to the CSC, and reviews and comments received on these reports during the relevant time period will be included as input to the IFR. The IFR would also review the SOW to determine if any amendments should be recommended. The IFR mandate is strictly limited to evaluation against the SOW and does not include any evaluation relating to policy or contracting issues that are not part of the ICANN-PTI IANA functions contract or the SOW. In particular it does not include issues related to policy development and adoption processes, or contract enforcement measures between contracted registries and ICANN.

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119   The first IFR is recommended to take place no more than two years after the transition is complete. After the initial review, the periodic IFR should occur at intervals of no more than five years. The IFR should be set out in the ICANN Bylaws and included as a "fundamental bylaw" resulting from the work of the CCWG-Accountability and would operate in a manner analogous to an Affirmation of Commitments (AOC) review. The "fundamental bylaws" would be ICANN bylaws that would require the prior approval of the multistakeholder community to adopt or amend. The approval of an ICANN fundamental bylaw could also require a higher threshold than typical bylaw amendments, for example, a supermajority. The members of the IANA Function Review Team (IFRT) would be selected by the Supporting Organizations and Advisory Committees and would include several liaisons from other communities. While the IFRT is intended to be a smaller group, it will be open to non-member "participants" in much the same way as the CWG-Stewardship is.

120   While the IFR will normally be scheduled based on a regular cycle of no more than five years[10] with other ICANN reviews, a Special IANA Function Review (Special IFR) may also be initiated under certain circumstances, as discussed in the following section.

121   For further details, please see Annex F.

122   **Special IANA Function Review**

123   As mentioned above, IFRs would occur periodically or, in special circumstances, may be initiated outside of the normal periodic schedule. A non-periodic or "Special" IANA Function Review (Special IFR) could only be initiated when the following escalation mechanisms and methods have been exhausted:

   O   CSC Remedial Action Procedures are followed and fail to correct the identified deficiency (see Annex G); and

   O   The IANA Problem Resolution Process is followed and fails to correct the identified deficiency (see Annex J).

124   For further details, please see Annex F.

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[10] If an Special IFR is initiated, some flexibility should be allowed with regards to the timing of the next IFR. [Update depending on whether clock restarts to two years for IFR]

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125   Following the exhaustion of the above escalation mechanisms, the ccNSO and GNSO would be responsible for reviewing the outcome of the CSC process (as defined in Annex G), and the IANA Problem Resolution Process (as defined in Annex J) and for determining whether a Special IFR was necessary. After consideration, including a public comment period, the Special IFR could be triggered by a supermajority vote of each of the ccNSO and GNSO Councils according to their normal procedures for determining supermajority. The Special IFR would follow the same multistakeholder cross community composition and process structure as the periodic IANA Function Review.The scope of the Special IFR would be narrower than a periodic IFR, focused primarily on the identified deficiency or problem, its implications for overall IANA Performance, and how that issue is best resolved. As with the periodic IFR, the Special IFR is limited to a review of the performance of the IANA Functions operation and should not consider policy development and adoption processes or the relationship between ICANN and its contracted TLDs.

lower case – not defined

126   There is no prescribed outcome for an IFR, whether special or periodic. Recommendations could span from "no action required" to the introduction of operational remediation requirements, to the initiation of a separation process, described below. In the case of a Special IFR, it is expected that the recommendations of the IFRT will describe how the proposed remedial procedures are expected to address the identified deficiency.

a Special

12?   As described in Annex L, an IFR may determine that a separation process is necessary. In making this determination, the IFR is not responsible for recommending a type of separation. If the IFR determines that a Separation Process is necessary, it will recommend the creation of the Separation Cross-Community Working Group (SCWG). This recommendation would need to be approved by a supermajority of each of the GNSO and the ccNSO Councils, according to their normal procedures for determining supermajority, and would need to be approved by the ICANN Board after a public comment period, as well as a community mechanism derived from the CCWG-Accountability process.[11]. A determination by the ICANN Board to not approve an SCWG that had been supported by a supermajority of the ccNSO and GNSO Councils would need to follow the same supermajority thresholds and consultation procedures as ICANN Board rejection (by a supermajority vote) of a PDP recommendation that is supported by a GNSO supermajority.

lower case – not defined.

12?   After the completion of a SCWG process, the IFR periodic clock will be reset to its initial state of a first IFR after 2 years followed by a period of no more that five years for the subsequent IFR.

12?   *(an)*   *(acronym with vowel sound "eS")*

12?   **III.A.ii.   Proposed Oversight & Accountability Replacement**

12?/13?   **Customer Standing Committee (CSC) - Overseeing performance of IANA Functions as they relate to naming services**

12?/13?   The CWG-Stewardship recommends the creation of a CSC to monitor the performance of PTI with the following mission:

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[11] This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

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Comment [MK12]: As suggested by Avri.

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"The Customer Standing Committee (CSC) has been established to perform the operational oversight responsibilities previously performed by the U.S. Department of Commerce's National Telecommunications and Information Administration as it relates to the monitoring of performance of the IANA naming function. This transfer of responsibilities took effect on [date].

The mission of the CSC is to ensure continued satisfactory performance of the IANA function for the direct customers of the naming services. The primary customers of the naming services are TLD registry operators, but also include root server operators and other non-root zone functions.

The mission will be achieved through regular monitoring by the CSC of the performance of the IANA naming function against agreed service level targets and through mechanisms to engage with the IANA Functions Operator to remedy identified areas of concern."

132   The CSC is not mandated to initiate a change in the IANA Functions Operator via a Special IANA Function Review, but could escalate to the ccNSO and GNSO, which might then decide to take further action using agreed consultation and escalation processes (see Annex J).

> **Comment [CG13]:** There was a reason for having 'and/or'. In the case of a problem that only impacts ccTLDs, it doesn't seem appropriate for the GNSO to have the power to deny a SIFR, and vice versa.
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133   The complete proposed charter of the CSC can be found in Annex G.

Service Level Expectations (SLEs)

135   In the interests of changing as few things as possible at the moment of transition, the ~~DT~~CWG Stewardship recommends making the SLEs exactly the same as the SLAs under the NTIA contract for a period of six months period after transition. At the end of that six months, the new SLEs as currently under development can be adopted. This permits the adoption of new SLEs more appropriate to the needs of customers, while maintaining the old instrument of measurement during the transition.

> **Comment [CG14]:** This is awfully soft. How can we firm this up?
>
> **Comment [MK15]:** Comment from Martin: I have concerns about this new text on SLEs. I see no reason to expect SLEs to be "in keeping with actual IANA performance" and have noted in the past that SLEs should be related to operational requirements. There can be a substantial cost impact of setting SLEs too high. That a performance is not set as a service level does not prevent it being monitored to see how the IANA functions operator is performing. I would suggest replacing, "more in keeping with actual IANA performance" by "appropriate to the needs of customers." MK: paragraph has been updated accordingly.
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136   The current interim findings can be found at: https://community.icann.org/x/CA4nAw.

137   For further details, please see Annex H.

Escalation Mechanisms

139   The CWG-Stewardship recommends requiring the continuation, with minor modifications, of a progressive set of escalation steps that can be performed for emergency situations as well as customer service complaints and a new problem resolution process, as applicable, for individual TLD registry operators, or others with relevant IANA Functions operational issues. Three processes are recommended:[12]

1) Customer Service Complaint Resolution Process
This process is for anyone who has a complaint about IANA services.[13] The CWG-

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[12] Note, nothing in these processes prevents a TLD operator to pursue other applicable legal recourses that may be available.

[13] This process exists today for all IANA services, but the CWG-Stewardship changes intend to apply only to the IANA naming services.

~~The DT also identified gaps in the current documentation used specifically that some Registry Managers prefer to interact with IANA via formal documentation sent by facsimile and some via phone calls. As little is known about these two latter categories, IANA staff are preparing a complete set of current work-flow methods to assist the DT undertake its work.~~

~~A set of documents that describe the current work flow processes undertaken for IANA Root Zone Management will be reviewed by the DT after release is approved.~~

~~In the interim period and independent of IANA, the DT has conducted an analysis based on historical transactions, using a limited set of real-world activity from published IANA Performance Reports and transaction logs provided by ccTLD Registries interacting with the IANA.~~

~~The historical transactions are from September 2013 to January 2015 period, which provided approximately 565 total data points – only 27 transactions took longer than 9 days and 13 took longer than 12 days. It should also be highlighted that some/much of the delay is as a result of the Registry not responding to IANA to authorize the change request – so the delay is not necessarily within IANA's control. 4 transactions took longer than 1 year (which is not necessarily a problem if the stability of the DNS is assured).~~

~~The DT anticipates having the Service Level Expectation documentation for the post-transition environment completed within one month following receipt of the additional IANA documentation. The current interim findings can be found at: https://community.icann.org/x/CA4nAw.~~

In the interests of changing as few things as possible at the moment of transition, the ~~DT~~CWG Stewardship recommends making the SLEs exactly the same as the SLAs under the NTIA contract for a period of six months ~~period.~~ At the end of that six months, the new SLEs as currently under development can be adopted. This permits the adoption of new SLEs more ~~in keeping with actual~~ appropriate to the needs of customers, ~~IANA performance,~~ while maintaining the old instrument of measurement during ~~across the horizon of~~ the transition.

~~139~~136 The current interim findings can be found at: https://community.icann.org/x/CA4nAw.

~~140~~137 For further details, please see Annex H.

~~141~~138 Escalation Mechanisms

~~142~~139 The CWG-Stewardship recommends requiring the continuation, with minor modifications, of a progressive set of escalation steps that can be performed for emergency situations as well as customer service complaints and a new problem ~~management~~ resolution process, as applicable, for individual TLD registry operators, or others with relevant IANA Functions operational issues. Three processes are recommended:[13]

1) Customer Service Complaint Resolution Process

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[13] Note, nothing in these processes prevents a TLD ~~an~~ operator to pursue other applicable legal recourses that may be available.

Comment [CG26]: This is awfully soft. How can we firm this up?

Comment [A27]: As suggested by Andrew Sullivan.

Comment [MK28]: Comment from Martin: I have concerns about this new text on SLEs. I see no reason to expect SLEs to be "in keeping with actual IANA performance" and have noted in the past that SLEs should be related to operational requirements. There can be a substantial cost impact of setting SLEs too high. That a performance is not set as a service level does not prevent it being monitored to see how the IANA functions operator is performing. I would suggest replacing, "more in keeping with actual IANA performance" by "appropriate to the needs of customers."

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period

This process is for anyone who has a complaint about IANA services.[14] The CWG-Stewardship has modified the current process used by ICANN by adding some steps at the end. For further details, please see Annex I

2) **IANA Problem Resolution Process (for IANA naming services only)**
This is a new process created for persistent performance issues or systemic problems associated with the provision of IANA naming services.[15] For further details, please see Annex J.

3) **Root Zone Emergency Process**
This process is for TLD managers in cases where expedited handling is required and is the same as the process currently used by ICANN, but reflects the post-transition environment.

~~140~~ 140 The details of these processes, including proposed modifications to the existing processes to reflect the transition, can be found in Annexes I (IANA Customer Service Complaint Resolution Process), J (Problem Resolution Process (for IANA naming services only)) and K (Root Zone Emergency Process). Furthermore a flow chart outlining the different steps and relationship between the Customer Service Complaint Resolution Process and the IANA Problem Resolution Process can be found in Annex J-1.

~~141~~ 141 **Separation Process**

The CWG-Stewardship recommends that an ICANN fundamental bylaw be created to define a sSeparation pProcess that can be triggered by a Special IFR if needed. The Special IFR would only occur if other escalation mechanisms and methods have been exhausted. If the Special IFR recommends a sSeparation pProcess, a Separation Cross Community Working Group (SCWG) which would be formed to review the issues and make recommendations. The recommendations would need to be approved by a supermajority vote of each of the ccNSO and GNSO Councils, the ICANN Board, and an equivalent community mechanism derived from the CCWG-Accountability process.[16] the ICANN membership (assuming ICANN becomes a membership organization). Any new IFO (or other separation process) would be subject to the approval of the ICANN Board, and an equivalent community mechanism derived from the CCWG-Accountability process.[17] and the ICANN membership (assuming ICANN becomes a membership organization).

There would be no prescribed result arising from the sSeparation pProcess. It The SCWG would be empowered to make a recommendation ranging from "no action required" to the initiation of an RFP and the recommendation for a new IFO, or the divestiture or reorganization of PTI. In the case of a recommendation for any action, ICANN is expected to cover all costs related to the transition and ongoing operation costs related to the possible

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[14] This process exists today for all IANA services, but the CWG-Stewardship changes intend to apply only to the IANA naming services.

[15] It is beyond the scope of the CWG-Stewardship to propose processes that affect other IANA services customers (protocol parameters and numbers). However, should there be an interest in expanding this process to include those customers, those discussions could be held at a later date.

[16] This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

[17] This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

Comment [JMR29]: How much of this section repeats what has previously been covered around para 126. Is the repetition necessary?

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Comment [MK30]: Comment from Elise: We need make it clearer that it's not the recommendation to separate that need a super majority of the ccNSO and GNSO ++

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[Handwritten note:] Suggest deleting 'equivalent' which referred to the notion of ICANN membership approval, which no longer appears in the body of the text (just a footnote)

14) For architectural changes that impose potential risk to the security, stability, or resiliency of the Root system (as identified by at least one standing committee member and agreed by a simple majority of members), there should be public consultation through the standard ICANN public comment process.

15) To the extent allowed based on the need for security and contractually required confidentiality, the proceedings of the standing committee should be open and transparent.

16) Since it is not possible to formally define "significant", all parties should err on the side of prudence and raise issues for the consideration of the Standing Committee when there is any question of it being required. The Standing Committee may decide that it does not need to consider the issue.

↖ lowercase

17) The standing committee should coordinate with the NTIA at the time of transition to transfer relevant information about any ongoing major architectural and operational changes so that any such ongoing activities are not delayed or lost due to the transition.

155. The CWG-Stewardship further recommends that for changes internal to the IANA Functions Operator and for those related to reports and communications, no external approval shall be needed. Such decision should be made, where appropriate, in consultation with the community, or the standing committee.

156. The CWG-Stewardship recommends that post-transition IFO budgets must support the operator's capability to investigate, develop and deploy Root Zone enhancements required to keep the Root Zone and its management evolving.

Principles

18) Transparency: To the extent allowed by external agreements and as necessitated by security and privacy issues, the IFO should operate in a transparent manner. Reports on the IFO operations should not be withheld unless there are explicit and defendable needs for confidentiality.

19) Control of Root Zone Management: Currently, updating the Root Zone requires the active participation of three parties: the IFO, the Root Zone Maintainer and the NTIA. The IFO receives change requests from various sources, validates them, and sends them to the Root Zone Maintainer who, once they are authorized by the NTIA, updates the Root Zone File, DNSSEC signs it and distributes it to the Root operators.

Post transition there will only be the IFO and the Root Zone Maintainer. The CWG-Stewardship is not recommending any change in the functions performed by these two roles at this time. The CWG-Stewardship is recommending that should there be proposals to make changes in the roles associated with Root Zone modification, that such proposals should be subject to wide community consultation.

20) Future changes to the Root Zone Management process must be made with due consideration to the IANA Functions Operator's and Root Zone Maintainer's abilities to process change requests expeditiously.

- Implementing, or participating in, the implementation of changes to the Root Zone environment.
- Validation processes for adding, modifying or removing TLDs to the Root Zone and the associated WHOIS database (and associated systems for supporting this).
- Requesting changes to the Root Zone upon validation of a request by the IFO (and associated systems for supporting this).

Operating the TLD WHOIS and the .INT TLD - The CWG-Stewardship does not propose any material changes with respect to the IFO operating the top level WHOIS database or the .INT TLD.

Implementing changes to the Root Zone environment - The implementation of changes to the process to approve changes to the Root Zone environment are required with the NTIA removing itself from the final approval of all such changes. The CWG-Stewardship transition proposal recommends that the ICANN Board take over the responsibility of approving all substantive (architectural) changes to the Root Zone environment (such changes being rare events). In line with the NTIA process, the ICANN Board would only approve any such changes if these maintained the security, stability, and resiliency of the Internet (ICANN's first core value as per its Bylaws) and would be supported by a majority of the concerned and affected parties. ICANN will coordinate with the NTIA for any ongoing approval processes for significant changes to the Root Zone environment to ensure continuity of these. As such it is expected that the transition should not generate any issues with continuity of service associated with this for the IFO naming customers.

Validation processes of customer requests for changes to the Root Zone – The CWG-Stewardship recommends removing the authorization requirement currently performed by the NTIA for all change requests to the Root Zone or its associated WHOIS database because it does not contribute in a significant fashion to the security, stability, and resiliency of the Internet DNS. This approval function is currently underpinned by a secure computer based system between IFO, NTIA, and Verisign acting as the Root Zone Maintainer. Until such time as this system can be modified IANA has confirmed it could simply act as NTIA in this system allowing it to approve its own requests for changes to the Root Zone, thus removing the requirement for NTIA authorization. As such it is expected that this element of the transition should not generate any issues with continuity of service for the IFO naming customers.

Requesting changes to the Root Zone - Requesting changes to the Root Zone and its associated WHOIS database upon validation of a request. The Root Zone maintainer is responsible for implementing change requests from the IFO. Given the NTIA has stated that the transition of the Root Zone Maintainer function will be a separate process (which is not the responsibility of the CWG-Stewardship and has yet to be initiated),[24] this element is beyond the scope of the CWG-Stewardship. The CWG-Stewardship assumes that the NTIA will ensure that there is a suitable Root Zone Maintainer service available to the IFO that can function using current systems.

As described above, continuity of service is assured: there are no material changes to the operation of the WHOIS database or the .INT TLD; and changes have been accounted for in

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[24] The NTIA addressed this in its "IANA Functions and Related Root Zone Management Transition Questions and Answers" on 18 March 2014. See http://www.ntia.doc.gov/other-publication/2014/iana-functions-and-related-root-zone-management-transition-questions-and-answ for further details.

> **Comment [MK22]:** Comment from Elise: we are holding all discussions on .int to later, post –transition. This could be interpreted as if we are giving advice to that later process.

Anything cut-off here?

changes to be further developed in this section. These mechanisms and procedures, however, are part of the accountability framework that will replace NTIA's oversight and contract.

185   In the proposed accountability structure, the CWG-Stewardship has focused exclusively on the needs of the naming community. However, the CWG-Stewardship acknowledges that there are elements of the proposed accountability structure that may be of interest to the other operational communities, including, but not limited to, options for existing or new arrangements in contracting services for the~~~~to IFO.

186   IV.C. Workability of any new technical or operational methods

187   *This section should describe what your community views as the implications of the changes it proposed in Section III.*

- ● *Description of how you have tested or evaluated the workability of any new technical or operational methods proposed in this document and how they compare to established arrangements.*

188   No new technical or operational methods are being proposed beyond those necessary for replacing the NTIA acting as the IANA Functions Contract Administrator and the Root Zone Management Process Administrator. The necessary changes include the accountability mechanisms associated with the creation of PTI as an affiliate of ICANN and the Root Zone environment. Implications of the changes to the Root Zone environment are described in Section IV. A, and implications of the proposed accountability framework, including the PTI, the ICANN-PTI Contract, the IFR, the CSC, and the customer complaint and escalation procedures are described in Section IV. B.

189   The CWG-Stewardship has evaluated these elements and determined that all are workable. A summary of the evaluations is provided below. The scores reflect a qualitative assessment by the CWG-Stewardship of whether the specific element was workable on a scale of 0-3, with 0 indicating a significant requirement or negative impact and 3 indicating no requirement or impact. For details of the methodology, please refer to Annex R.

Element Being Analyzed	Score	Evaluation
PTI as an affiliate of ICANN	score = 8/15 = 53%	workable
Contract between ICANN and PTI	score = 13/15 = 87%	workable
IFR	score = 8/15 = 60%	workable
CSC	score = 10/15 = 73%	workable
Customer complaint and escalation procedures	score = 11/15 = 73%	workable
Approving changes to the Root Zone environment	score = 8/15 = 53%	workable
Replacing NTIA as the Root Zone Management Process administrator	Score=13/15 = 87%	workable

This section should describe what your community views as the implications of the changes it proposed in Section III.

- *Description of how long the proposals in Section III are expected to take to complete, and any intermediate milestones that may occur before they are completed.*

[handwritten: within] *[handwritten: of the transition]*

The CWG-Stewardship's proposed ~~changes are~~ to be implemented after NTIA approval of the IANA Stewardship Transition plan. Some changes are ready to be implemented, and others may require further assessment by the ICG as they may affect and be of interest to other communities involved in the IANA Stewardship Transition. For all changes, including changes that do not require further assessment by the ICG, the community will work with ICANN in implementation. The CWG-Stewardship has attempted an initial list of elements for implementation as follows:

- **Service Levels:** Because the current recommendation is to maintain the existing SLAs as SLEs at the time of transition, there is no time necessary to implement this. The proposal requires new SLEs ~~at the end of~~ six months, and it is anticipated that the work for implementation should be included in staff time estimates over that period. ~~Throughout the work of the CWG-Stewardship, the group worked closely with ICANN's IANA department to develop SLEs that were feasible and agreeable to both parties. These SLEs are ready for implementation.~~

  [handwritten left margin: Need?]

- **IANA Budget:** The CWG-Stewardship worked closely with ICANN Finance in developing recommendations for transparent budget processes and itemizations regarding IANA operations costs. Recommendations on ICANN's budgeting process can be implemented as further details of the CWG Accountability proposal are defined and approved.[35] Developing a PTI budget is part of, and dependent on, the establishment of PTI. There are other recommendations (in particular, the ability of the community to approve/veto the ICANN budget) that have been requested of the CCWG-Accountability as part of a key dependency with ~~the CCWG Accountability~~ as soon as their work is finalized.

  [handwritten: with ICANN]

- **PTI:** The CWG-Stewardship worked ~~closely with legal~~ counsel in the reasoning and development of the PTI concept. Much research and many memoranda were provided to the CWG-Stewardship that may be useful for consideration in implementation.[36] At this stage, considering possible interest and modifications pending from the other operational communities, the ICG may propose modifications to PTI. In the meantime, however, the CWG-Stewardship believes it to be good operational practice to separate the physical infrastructure of IANA operations from ICANN operations.

- **ICANN-PTI Contract:** The CWG-Stewardship, with assistance from its legal counsel, developed a Term Sheet, which can be used as a basis ~~from which~~ the ICANN-PTI term sheet and ultimately the future contract ~~can be developed~~. PTI will need to be established before ~~developing this work further contract in consultation with independent legal counsel and the counterparty to the contract, i.e. ICANN.~~

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  [handwritten: it can enter into this contract.]

- **CSC:** The CWG-Stewardship has developed a charter for the CSC, which is usually the first step in chartering a working group with ICANN. In this sense, the CSC is ready for implementation. However, the CSC construct will need to be incorporated into the

[handwritten bottom left: , and have the benefit of advice from independent legal counsel,]

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[35] Documentations and details related to the IANA operations budget are available in Annex P, Q and T
[36] All documents from legal counsel are available on the CWG-Stewardship Wiki at https://community.icann.org/display/gnsocwgdtstwrdshp/Client+Committee

Comment [GA26]: Include reference/footnote to further details on proposed SLEs

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Comment [CG27]: Should we say something like this: "These SLEs will be ready for implementation upon completion of DT-A work and approval by the CWG, which is anticipated to be prior to SO/AC approvals."

Comment [JMR28]: In addition to Chuck (CG33), this is not consistent with what we say earlier in the document i.e. that we will retain existing SLEs and only change six months post transition.

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Comment [CG29]: Where did this come from? Shouldn't a cost/benefit analysis be done before deciding this?

Comment [CG30]: Why can't the contract be developed before PTI is actually established? I can understand that the proposal for PTI will need to be approved but I don't understand why actually establishing PTI would be a prerequisite.

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231. The CWG-Stewardship further discussed the different aspects, taking into the community input. In part, this involved considering many more structural models (in addition to "Contract Co."). By February 2015, prior to the ICANN 52 meeting in Singapore this resulted in an additional set of questions for the community, to inform the discussions of the CWG-Stewardship.

232. Going into ICANN 52, the CWG-Stewardship presented the community with an overview of four structural models: two were "internal" and two were "external" (including "Contract Co."). This discussion document is available here: https://www.icann.org/news/announcement-2015-02-06-en.[44] During ICANN52, three additional models were presented; each was a variation of a "hybrid" model. The discussion document for these three models is available here: https://community.icann.org/download/attachments/49351404/IntegratedIANA1.2.pdf?version=1&modificationDate=1427102306000&api=v2. With the addition of these three models, the CWG-Stewardship effectively left the ICANN 52 meeting with seven potential models to evaluate and consider.

233. ***Method used to develop second and final proposal (February 2015 through June 2015)***: Design Teams

234. In February 2015, after the Singapore face-to-face meetings, the CWG-Stewardship discussed and agreed in March 2015 on an alternative, focused, and agile method which was to work on the remaining open issues through a so called Design Team method. Each Design Team was established to focus on a specific, pre-defined work item and delivers its output in a short timeframe.

235. The list of work items was approved by the CWG-Stewardship and maintained by the CWG-Stewardship. Results of each Design Team were discussed and approved by the full CWG-Stewardship the prior to integration into the evolving CWG-Stewardship Proposal. The results of the prioritized Design Teams were discussed by the CWG-Stewardship at its face-to-face meetings that occurred in March 2015 in Istanbul, Turkey. At those meetings the initial list of work items was reviewed and work items were re-prioritized.

236. The Co-Chairs managed creation of the Design Teams, prioritization of work items, and progress of the teams, with input from the CWG-Stewardship. Members and participants from the CWG-Stewardship composed the Design Teams, and in some cases external observers with specific expertise were included.

237. The register/list of work items, their priority, membership of Design Teams, meetings, agendas, and mail archives are publicly available at: https://community.icann.org/display/gnsocwgdtstwrdshp/Design+Teams+List

238. The CWG-Stewardship entered its Istanbul meetings with seven potential models for the IANA Stewardship transition. These models had been studied and researched by newly engaged independent legal counsel, Sidley Austin LLP. After a thorough discussion of these potential models with legal counsel and in a spirit of compromise, the CWG-Stewardship

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[43] At this point, the CWG-Stewardship had still not secured professional legal advice.
[44] At this point, the CWG-Stewardship had still not secured professional legal advice.

(Contract)

Annex F – IANA Function Reviews - Statement of Work Duration and Review Periodicity

What period (duration) should be covered by the first statement of work post-transition?

It is critical that any proposal provide opportunities to improve the performance of the IANA Functions Operator as it relates to naming as well as to review the proposed oversight structure against the needs of its customers and the ICANN community. This is especially important in the initial period following the transition of the NTIA's stewardship over the IANA Functions, in order to account for lessons learned as a result of the IANA Stewardship Transition, to review the effectiveness of new structures created pursuant to the IANA Stewardship Transition, and to address any implications for the IANA Functions Operator's performance. As a result, the CWG-Stewardship recommends that the review of PTI's performance against the ICANN-PTI contract and the IANA Statement of Work (IANA SOW) for the naming functions occur no more than **two years** from the date of the IANA Stewardship Transition. This review would be led by a multistakeholder body drawn from the ICANN community.

Following the initial review period of two years from the date of the IANA Stewardship Transition, a longer period in between reviews would be advisable to avoid the constant flow of reviews, while still accounting for the emerging or evolving needs of IANA customers and the ICANN community. We recommend that subsequent reviews be initiated on a calendar basis with a recommended standard period of no more than five-year intervals.

While the IANA Function Review will normally be scheduled based on a regular rotation of no more than five years with other ICANN reviews, a Special IANA Function Review may be also be initiated by community action.

Periodic IANA Function Reviews would be focused on the performance of PTI against the IANA SOW, as well as reviewing the IANA SOW to determine if any amendments should be recommended. The outcomes of an IANA Function Review are not limited and could include a variety of recommendations.

What should be the process for reviewing or amending IANA SOWs (including approval by the community and acceptance by ICANN)?

The review could identify recommended amendments to the IANA SOW to address any performance deficiencies, or to the CSC charter to address any issues or deficiencies. The process of developing and approving amendments would take place through a defined process that includes, at minimum, the following steps, in advance of an amendment to either document being proposed:

- Consultation with the IANA Functions Operator;
- Consultation with the CSC;
- Public input session for ccTLD and gTLD operators; and
- Public comment period.

> **Comment [CG35]:** Why is this here? It doesn't seem to add any value to me. If there is a good reason for including it, that is okay.

- O Conflict of Interest Enforcement and Compliance Report.
- O Inputs by the CSC, including:
  - O Issues flagged in reviewing above reports;
  - O Public transcripts and meeting minutes;
  - O Inputs related to the effectiveness of any remediation efforts with the IANA Functions Operator, and
  - O Annual evaluation of IANA Functions Operator performance.
- O Community inputs through Public Consultation Procedures defined by the IANA Function Review Team, potentially including:
  - O Public comment periods.
  - O Input at in-person sessions during ICANN meetings.
  - O Responses to public surveys related to IANA Functions Operator performance; and
  - O Public inputs during meetings of the IANA Function Review Team.

What are the goals of the reviews?

In reviewing the above data points the goal of the IANA Function Review Team would be to:

- O Evaluate the performance of the IANA Functions Operator and any related oversight bodies vis-à-vis the needs of its direct customers and the expectations of the broader ICANN community;
- O Evaluate the performance of any IANA oversight bodies with respect to the responsibilities set forth in their charters;
- O Consider and assess any changes put in place since the last IANA Function Review and their implications for the performance of the IANA Naming Functions;
- O Determine if any amendments to the SOW should be recommended; and
- O Identify areas for improvement in the performance of the IANA Functions and associated oversight mechanisms.

Any recommendations would be expected to identify improvements in these areas that were supported by data and associated analysis about existing deficiencies and how they could be addressed.

Composition of IANA Function Review Teams

Who are the relevant stakeholders?

All stakeholder groups represented at ICANN would be relevant for the reviews done by the IANA Function Review Team. Additionally, the Number and Protocol operational communities would each be offered the opportunity to name a liaison to the review group. The IANA Function Review Team would be composed as follows:

Once the final report is prepared, it will be provided to the community.

What should trigger reviews?

Similar to the Affirmation of Commitment (AoC) Reviews, the IANA Function Review will be triggered on a calendar basis, with the first call for Expressions of Interest being scheduled to kick off one year from the date of the IANA Stewardship Transition to allow sufficient time to convene the IANA Function Review Team and complete the IANA Function Review within two years of the date of the IANA Stewardship Transition. Subsequent reviews will be scheduled to occur at no more than five-year intervals from the date of the initial IANA Function Review.

A non-periodic or "Special" IANA Function Review (Special IFR) can only be initiated when the following escalation mechanisms have been exhausted:

- CSC remedial action procedures are followed and fail to address the identified deficiency (see Annex G); and
- The IANA Problem Resolution Process is followed and fails to correct the deficiency (See Annex J).

Following exhaustion of the foregoing escalation mechanisms, the ccNSO and GNSO would be responsible for reviewing the outcome of the CSC process (as defined in Annex G), and the IANA Problem Resolution Process (as defined in Annex J) and for determining whether a Special IFR was necessary. After consideration, including a public comment period, the Special IFR could be triggered by a supermajority vote of each of the ccNSO and GNSO Councils according to their normal procedures for determining supermajority. The Special IFR would follow the same multistakeholder cross community composition and process structure as the periodic IANA Function Review.The scope of the Special IFR would be narrower than a periodic IFR, focused primarily on the identified deficiency or problem, its implications for overall IANA performance, and how that issue is best resolved. As with the periodic IFR, the Special IFR is limited to a review of the performance of the IANA Functions operation and should not consider policy development and adoption processes or the relationship between ICANN and its contracted TLDs.

The requirement to conduct and facilitate the periodic and special IANA Function Reviews would be articulated in the ICANN Bylaws and included as an ICANN fundamental bylaw under consideration by CCWG-Accountability. In addition, the IFR and Special IFR mechanisms could be set forth in the contract between ICANN and Post-Transition IANA or PTI.

CCWG Accountability Dependencies

Enumeration of the relevant accountability mechanisms relating to the IFR and Special IFR:

- Creation of an ICANN fundamental bylaw to describe the IFR and Special IFR mechanisms, including the above voting thresholds for triggering a Special IFR (i.e., after specified escalation methods have been exhausted and then upon a supermajority vote of each of the ccNSO and GNSO Councils) and approval of the outcomes of an IFR and Special IFR (which may include a separation process, as described in Annex L).

O NRO (or ASO)

O GAC

O RSSAC

O SSAC

326 Liaisons shall not be members of or entitled to vote on the CSC, but otherwise liaisons shall be entitled to participate on equal footing with members of the CSC.

327 The Chair of the CSC will be elected on an annual basis by the CSC. Ideally the Chair will be a direct customer of the IANA naming function, and cannot be the IANA Functions Operator Liaison.

328 The CSC and the IANA Functions Operator will nominate primary and secondary points of contact to facilitate formal lines of communication.

329 The CSC as a whole will decide who will serve as the Liaison to the IANA Functions Review Team. Preference should be given to the Liaison being a registry representative given that technical expertise is anticipated to be valuable in the role.

Membership Selection Process

331 Members and Liaisons to the CSC will be appointed by their respective communities in accordance with internal processes. However, all candidates will be required to submit an Expression of Interest that includes a response addressing the following matters:

O Why they are interested in becoming involved in the CSC.

O What particular skills they would bring to the CSC.

O Their knowledge of the IANA Functions.

O Their understanding of the purpose of the CSC, and.

O That they understand the time necessary required to participate in the CSC and can commit to this role.

332 Interested candidates should also include a resume or curriculum vitae or biography in support of their Expression of Interest.

333 While the ccTLD and gTLD members will be appointed by the ccNSO and RySG respectively and liaisons by their applicable groups, ccTLD or gTLD registry operators that are not members of these groups will be eligible to participate in the CSC as members or liaisons. The ccNSO and RySG should consult prior to finalizing their selections with a view to providing a slate of members and liaisons that has, to the extent possible, diversity in terms of geography and skill set.

A representative for a TLD registry operator not not associated with a ccTLD or gTLD registry, will be required to submit an Expression of Interest to either the ccNSO and GNSO Council. The Expression of Interest must include a letter of support from the registry

Annex L – Separation Process

385387 In the event that an IANA Function Review results in a decision to initiate a separation process, the following processes must be followed.

385388 If the IFR determines that a separation process is necessary, it will recommend the creation of a Separation Cross Community Working Group (SCWG). This recommendation would need to be approved by a supermajority of each of the GNSO and the ccNSO Councils, according to their normal procedures for determining supermajority, and would need to be approved by the ICANN Board after a public comment period, as well as a community mechanism derived from the CCWG-Accountability process.[57] A determination by the ICANN Board to not approve a SCWG that had been supported by a supermajority of the ccNSO and GNSO Councils would need to follow the same supermajority thresholds and consultation procedures as ICANN Board rejection (by a supermajority vote) of a PDP recommendation that is supported by a GNSO supermajority.

386389 There would be no prescribed result arising from the separation process. It would be empowered to make a recommendation ranging from "no action required" to the initiation of an RFP and the recommendation for a new IFO, or the divestiture or reorganization of PTI. The SCWG would follow the overall guidelines and procedures for ICANN Cross Community Working Groups. The SCWG working procedures should ensure transparency to the fullest extent possible by creating open discussion listservs and holding open calls, with read- or listen-only modes for non-participants. [58]

390 After the completion of a SCWG process, the IFR periodic clock will be reset to its initial state of a first IFR after 2 years followed by a period of no more that five years for the subsequent IFR.

387391 ## Composition

388392 The SCWG would be composed as follows:[59]

- O ccNSO - 2
- O ccTLDs (non-ccNSO) - 1
- O Registry Stakeholder Group (RySG) - 3
- O Registrar Stakeholder Group (RrSG) - 1
- O Commercial Stakeholder Group (CSG) - 1
- O Non-Commercial Stakeholder Group (NCSG) - 1

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[57] This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

[58] Any other recommendations produced by the Special IFR would need to include implementation recommendations, including the possible initiation of an SCWG with a specific mandate, and would need to be approved by a supermajority of each of the ccNSO and GNSO Councils, the ICANN Board and a community mechanism derived from the CCWG-Accountability process.

[59] Given the unique purpose and task of the Separation Community Working Group, if this composition diverges from the recommendation of the Cross Community Working Group on Principles for Cross Community Working Groups, the structure herein shall prevail.[Sidley comment: Can we clarify this?]

- O Government Advisory Committee (GAC) - 1
- O Security and Stability Advisory Committee (SSAC) - 1
- O Root Server Operators Advisory Committee (RSSAC) - 1
- O At-Large Advisory Committee (ALAC) - 1
- O CSC Liaison (selected by CSC) - 1
- O Special IFR Team Liaison (selected by IFR Team) - 1
- O Liaison from Protocol operational community - 1 (TBD with their approval)
- O Liaison from Numbers operational community - 1 (TBD with their approval)

Each group will be responsible for appointing its own representative to the SCWG. In the case of the non-ccNSO ccTLD representative, the ccNSO will be the appointing body; in appointing the non-ccNSO representative it is strongly recommended that the ccNSO also consult with the Regional ccTLD Organizations, namely AfTLD, APTLD, LACTLD, and CENTR.

It is strongly recommended that the representatives appointed to the SCWG be different representatives than those that participated in the Special IFR (with the exception of the liaison to the IANA Function Review Team appointed by the CSC). This will provide an additional check, accounting for the fact that different skill sets may be required for the two processes, and provide for broader community representation in the IANA oversight process.

To the extent possible, it is recommended that individuals with experience managing an RFP process be appointed to the SCWG. For communities appointing more than one representative to the SCWG it is strongly advised that, to the extent possible, the appointed representatives come from different ICANN geographic regions, to provide for diversity on the SCWG.[60]

Function

Responsibilities

The SCWG would be responsible for:

- O Determine how to resolve the issue(s) which triggered formation of the SCWG; and
- O If the decision is to issue an RFP:
  - O Developing RFP Guidelines and Requirements for the performance of the IANA Naming Functions;
  - O Soliciting participation in the RFP Process;
  - O Reviewing responses to the RFP[61];
  - O Selecting the entity that will perform the IANA Naming Functions; and
  - O Managing any other Separation Process.

[60] One specific expectation is that with six total registry seats on the SCWG, including ccTLD and gTLD registries, all five ICANN geographical regions be represented.
[61] The then current IFO would not be prevented from participating in the RFP. In the event of the PTI, it would be possible for either the S-IFR or the PTI itself to recommend changes to its structure to better accomplish it task and to remediate any problems. This remediation could include recommendations for further separation.

Comment [MK49]: Comment from Martin: clarification – I really think that before going to develop the RfP, the SCWG should seek input on views for what needs to be included in the RfP (in particular from the customers, although the NoI & FNoI were to the community when NTIA went through this process. This would help focus thinking in the preparation of the requirements for the new contract.

Sidley Comment: Remove brackets and lowercase.

- If a different process such as PTI divestiture or other reorganization is to be recommended, develop recommendations for that process.

The selection of a new operator to perform the IANA Naming Functions [or other Separation Process] would be subject to approval by the ICANN Board, and an equivalent community mechanism derived from the CCWG-Accountability process.[62] A determination by the ICANN Board to not approve a recommendation by the SCWG that had been supported by a supermajority of the ccNSO and GNSO Councils would need to follow the same supermajority thresholds and consultation procedures as ICANN Board rejection (by a supermajority vote) of a PDP recommendation that is supported by a supermajority of the GNSO.

The entity prevailing in the RFP would carry out the role currently performed by PTI for the IANA naming Functions. ICANN would remain the contracting party for the performance of the IANA naming Functions and would enter into a contract, including a statement of work, with this entity. If PTI is selected to continue performance of the IANA Functions, it would remain an affiliate of ICANN (unless a structural change was a condition of the bid proposal or of the selection). Otherwise, the new entity would be a subcontractor for the performance of the IANA Functions. It should be noted that this does not address the way that non-naming IANA functions would be provided; depending on the arrangements with other communities, it is possible that those functions would move in concert with the naming functions; it is equally possible that they would not. ~~The entity prevailing in the RFP would carry out the role currently performed by PTI for the IANA Naming Functions. ICANN would remain the contracting party for the performance of the IANA Naming Functions and would enter into a contract, including a statement of work, with this entity. If PTI is selected to continue performance of the IANA Naming Functions, it would remain an affiliate of ICANN (unless a structural change was a condition of the bid proposal or of the selection). Otherwise, the new entity would be a subcontractor for the performance of the IANA Naming Functions.~~

Sidley Comment: "Special process" was "separation process" in prior version. Revert?

CCWG Accountability Dependencies

Enumeration of the relevant accountability mechanisms that could or must be exhausted before a special process could be triggered:

- Creation of an ICANN fundamental bylaw to describe the IANA Function Review (IFR) and establish the above voting thresholds for triggering a Special IFR and approving the outcomes of an IFR.

- Creation of an ICANN fundamental bylaw to describe the procedure for creating the SCWG and its functions and establish the voting thresholds for approval of a new operator for the performance of the IANA Functions or other end-result of the SCWG process.

- Approval by a community mechanism derived from the CCWG-Accountability process to approve the final selection of the SCWG (if this tenet of the CCWG-Accountability proposal is not implemented a new approval mechanism will have to be put in place.

  - Per the above separation process the selection of the entity that would perform the IANA Functions following a separation process would require community

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[62] This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

Sidley Comment: Unclear when using IANA naming functions and when using IANA functions.

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Comment [MK50]: Reworded as suggested by Andrew

Annex Q – IANA Budget

429432 The costs of providing the IANA services by ICANN under its agreement with the NTIA are currently not sufficiently separated from other ICANN expenses in the ICANN operating plans and budgets to determine reasonable estimates of projected costs after the IANA stewardship is transferred away from NTIA. The need for clearer itemization and identification of IANA Functions operations costs is consistent with current expectations of the interested and affected parties of the IANA Functions, and the broader community as expressed in ATRT1 and ATRT2, to separate policy development and IANA Functions operations. As a result, the CWG-Stewardship has provided recommendations with regard to the information and level of detail it expects to receive from ICANN in relation to the IANA budget in the future (see section III.A.15).

430433 In addition, the CWG-Stewardship recommends three areas of future work that can be addressed once the CWG-Stewardship proposal is finalized for SO/AC approval and again after the ICG has approved a proposal for IANA Stewardship Transition:

54)1)   Identification of any existing IANA naming services related cost elements that may not be needed after the IANA Stewardship Transition, if any.

55)2)   Projection of any new cost elements that may be incurred as a result of the IANA Stewardship Transition and in order to provide the ongoing services after the transition.

56)3)   A review of the projected IANA Stewardship Transition costs in the FY16 budget to ensure that there are adequate funds to address significant cost increases if needed to implement the transition plan without unduly impacting other areas of the budget.

CCWG Accountability Dependencies

Enumeration of the relevant accountability mechanisms relating to the IANA Budget:

- The ability for the community to approve or veto the ICANN budget after it has been approved by the ICANN Board but before it comes into effect. The community may reject the ICANN Budget based on perceived inconsistency with the purpose, mission and role set forth in ICANN's Articles and Bylaws, the global public interest, the needs of ICANN stakeholders, financial stability or other matters of concern to the community. The CWG-Stewardship recommends that the IFO's comprehensive costs should be transparent and ICANN's operating plans and budget should include itemization of all IANA operations costs to the project level and below as needed. An itemization of IANA cost would include "Direct Costs for the IANA department", "Direct Costs for Shared resources" and "Support functions allocation". Furthermore, these costs should be itemized into more specific costs related to each specific function. PTI should also have a yearly budget that is reviewed and approved by the ICANN community on an annual basis. PTI should submit a budget to ICANN at least nine months in advance of the fiscal year to ensure the stability of the IANA services. It is the view of the CWG-Stewardship that the IANA budget should be
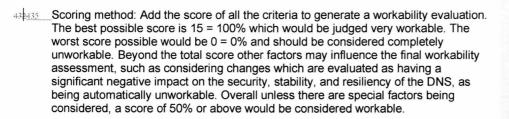
Annex R: Evaluation Method for Implications

For the purposes of this document "workability" will be defined as per the following methodology:

- Criteria to be evaluated:
  - Complexity of the new method.
  - Implementation requirements for the new method.
  - Impact on the IFO for working with the new method.
  - Impact on the IFO customers for using the new method.
  - Potential impact on the security, stability and resiliency of the DNS.
- Classification of evaluation of criteria:
  - 0 - signifies significant requirements or negative impact.
  - 1 - signifies moderate requirements or negative impact.
  - 2 - signifies minor requirements or impact.
  - 3 - signifies no requirements or impact.

Scoring method: Add the score of all the criteria to generate a workability evaluation. The best possible score is 15 = 100% which would be judged very workable. The worst score possible would be 0 = 0% and should be considered completely unworkable. Beyond the total score other factors may influence the final workability assessment, such as considering changes which are evaluated as having a significant negative impact on the security, stability, and resiliency of the DNS, as being automatically unworkable. Overall unless there are special factors being considered, a score of 50% or above would be considered workable.

Summary of evaluations:

Element Being Analysed	Score	Evaluation
PTI as an affiliate of ICANN	score = 8/15 = 53%	workable
Contract between ICANN and PTI	score = 13/15 = 87%,	workable
IFR	score = 8/15 = 60%	workable
CSC	score = 10/15 = 73%	workable
Customer complaint and escalation procedures	score = 11/15 = 73%	workable
Approving changes to the Root Zone environment	score = 8/15 = 53%	workable

Score =

Replacing NTIA as the Root Zone Management Process administrator	13/15 = 87%	workable

Detailed Evaluation

- **PTI as an affiliate of ICANN (total score = 8/15 = 53%, workable)**
    - What is changing: IANA is currently internal to ICANN. Creating a separate legal entity for the IANA functions will obviously require changes to the procedures as to how the IFO relates to ICANN.
    - Complexity of the new method:
        - 1 – IANA is currently operating as a division of the Global Domains Division; further separation into PTI is an important step but can be considered moderate in this case.
    - Implementation requirements for the new method:
        - 0 – Establishing PTI involves significant implementation work.
    - Impact on the IFO for working with the new method:
        - 1 – The actual impact on the IFO of transitioning to the PTI as an affiliate of ICANN should be moderate.
    - Impact on the IFO customers resulting from using the new method:
        - 3 – This should be transparent for the IANA naming customers.
    - Potential impact on the security, stability and resiliency of the DNS:
        - 3 – Given the current IFO systems, processes, procedures and personnel for these activities to be transferred to PTI, as an affiliate of ICANN, no additional risks are foreseen for the security, stability, or resiliency of the Internet.
    - Total score = 8/15 = 53%, workable.

- **Contract between ICANN and PTI (total score = 13/15 = 87%, very workable)**
    - What is changing: Currently the contract is between ICANN and the NTIA. The new contract will be between ICANN and PTI. This will require new processes and procedures.
    - Complexity of the new method:
        - 2 – IANA currently works under the NTIA IANA Functions Contract and the PTI-ICANN contract should mirror this contract in most aspects. As such the impact should be considered minor.
    - Implementation requirements for the new method:
        - 2 – The new contract will have to be adjusted to reflect the withdrawal of NTIA and the addition of PTI but this should be

considered minor.

- O Impact on the IFO for working with the new method:
  - O 2 – Given IANA currently reports and ICANN and is subject to the NTIA IANA Functions Contract it is estimated that the ICANN-PTI contract for IANA function will only have a minor impact on the IFO.
- O Impact on the IFO customers resulting from using the new method:
  - O 3 – This should be transparent for the IANA naming customers.
- O Potential impact on the security, stability and resiliency of the DNS:
  - O 3 – None compared to the current NTIA IANA Functions Contract.
- O Total score = 13/15 = 87%, very workable.

O IFR (total score = 8/15 = 53%, workable)

- O What is changing: Currently the NTIA is responsible for the evaluation of IANA services and the decision to extend the current contract or undertake an RFP. The IFR is the proposed mechanism to replace the more complex oversight elements.
- O Complexity of the new method:
  - O 0 – Given this requires the creation of a non-standing committee for each review and detailed processes around these reviews, this will be complex.
- O Implementation requirements for the new method:
  - O 1 – Adding the IFR and its powers to the ICANN Bylaws will be a significant undertaking.
- O Impact on the IFO for working with the new method:
  - O 3 – Given the last NTIA Process, which led to the IANA Functions Contract this should not represent any additional impact to the IFO.
- O Impact on the IFO customers resulting from using the new method:
  - O 3 – This should be transparent for the IANA naming customers.
- O Potential impact on the security, stability and resiliency of the DNS:
  - O 2 – Given the IFR can recommend a change in IFO provider (subject to further approvals) this could have some impact on the security, stability and resiliency of the DNS, if a transition is ultimately required.
- O Total score = 8/15 = 53%, workable.

O CSC (total score = 9/15 = 60%, workable)

- O What is changing: Currently IANA is responsible for ongoing monitoring of IANA performance of its functions. The CSC is the proposed mechanism

to replace this function.

- ○ Complexity of the new method:
    - ○ 1 – Given this requires the creation of a new ICANN standing committee with a new charter this is considered moderately complex.
- ○ Implementation requirements for the new method:
    - ○ 1 – Adding the CSC and its powers to the ICANN Bylaws will be a significant undertaking.
- ○ Impact on the IFO for working with the new method:
    - ○ 3 – Given IANA currently works with the NTIA for performance tracking and that the CSC role is limited to this. It should have no additional impact on the IFO.
- ○ Impact on the IFO customers resulting from using the new method:
    - ○ 3 – This should be transparent for the IANA naming customers while providing mew mechanisms for resolving customer issues.
- ○ Potential impact on the security, stability and resiliency of the DNS:
    - ○ 3 – None foreseeable.
- ○ Total score = 11/15 = 73%, workable.

- **Customer complaint and escalation procedures (total score = 11/15 = 73%, workable)**
    - ○ What is changing: The NTIA had its internal procedures for addressing lack of performance and complaints by IANA customers. These customer complaint and escalation procedures seek to replace these.
    - ○ Complexity of the new method:
        - ○ 1 – More complex than current methods.
    - ○ Implementation requirements for the new method:
        - ○ 2 – Most of the implementation should have been covered in the IFR and CSC.
    - ○ Impact on the IFO for working with the new method:
        - ○ 2 – Some changes required – limited impact.
    - ○ Impact on the IFO customers resulting from for using the new method
        - ○ 3 – There should be no negative impact on the IFO customers as complaint and escalation procedures are either similar or improved.
    - ○ Potential impact on the security, stability and resiliency of the DNS:
        - ○ 3 – None foreseeable.
    - ○ Total score = 11/15 = 73%, workable.

O **Approving changes to the Root Zone environment (total score = 8/15 = 53%, workable)**

   O What is changing: NTIA was responsible for approving all changes to the Root Zone environment. This section proposes a replacement for this process.

   O Complexity of the new method:

      O 0 – Significantly more complex than current NTIA-only approval.

   O Implementation requirements for the new method:

      O 1 – This should include procedure for creating review teams, draft terms of reference for review teams and process for obtaining ICANN Board approval for changes.

   O Impact on the IFO for working with the new method: ?

      O 3 – Not different than the current process (vs IFO.)

   O Impact on the IFO customers resulting from using the new method:

      O 3 – There should be no negative impact on the IFO customers – possibly more transparency about the process.

   O Potential impact on the security, stability and resiliency of the DNS:

      O 1 – Changes to the Root Zone environment have a potential to threaten the security, stability and resiliency of the DNS. Although one expects the same participants would be involved as would be under the current process and the safeguards should be the same or better, any change to the Root Zone environment should be evaluated as moderate.

   O Total score = 8/15 = 53%, workable.

O **Replacing NTIA as the Root Zone Management Process administrator (total score = 13/15 = 87%, very workable)**

   O What is changing: NTIA currently approves all changes to the Root Zone or its WHOIS database. This will no longer be required.

   O Complexity of the new method:

      O 3 – Removing the requirement for a third party approval of all changes to the Root Zone removes a layer of complexity.

   O Implementation requirements for the new method:

      O 2 – Minor coding and process documentation changes.

   O Impact on the IFO for working with the new method:

      O 3 – Lowering the complexity produces a positive impact on the IFO.

   O Impact on the IFO customers resulting from using the new method:

      O 3 – From a process point of view this will be transparent to clients with the possible exception of some performance increases.

Annex S: ~~Sample~~Proposed Term Sheet (as proposed by Legal Counsel)

What follows below is ~~a sample~~ term sheet that could be the precursor to the ICANN-PTI contract. This is based on a legal memorandum prepared by legal counsel to the CWG-Stewardship on May 18, 2015. To the extent this term sheet is inconsistent with the current proposal, the current proposal ~~is intended to~~ governs. The ~~termis~~ sheet would be subject of negotiation between PTI and ICANN (with PTI having independent legal advice).

Memorandum

To: Cross-Community Working Group to Develop an IANA Stewardship Transition Proposal on Naming Related Functions ("**CWG**")

From: Sidley Austin LLP ("**Sidley**")

Re: Term Sheet – ICANN-PTI Contract

Date: May 18, 2015

IANA Functions Contract between ICANN and the NTIA

Under the current CWG draft proposal, the IANA Functions Contract between ICANN and the NTIA (the "**ICANN-NTIA Contract**") will be replaced by a contract between ICANN and Post-Transition IANA ("**PTI**"). As a general matter, the provisions of the agreement setting forth the performance requirements of ICANN and PTI would be retained, with ICANN essentially assuming the role of the NTIA. However, provisions unique to contracting with the United States Government would not be retained.

This proposed term sheet was prepared by Sidley Austin LLP ("Sidley") is based upon the term sheet contained in the Public Consultation on Draft Transition Proposal, dated December 1, 2014, with updates to accommodate the iterative process that CWG has undertaken to respond to prior public comments and further analysis.

This proposed term sheet sets forth the key provisions required to be in the initial contract between ICANN and PTI (the "**ICANN-PTI Contract**" or "**Contract**"). In drafting this term sheet, Sidley assumed the proposed CWG model, under which PTI would be formed as a separate legal entity and an affiliate or controlled subsidiary of ICANN (depending on the final form of entity of PTI selected).

PROPOSED KEY TERMS FOR ICANN-PTI CONTRACT

- All terms are subject to further review and discussion
- Terms in current ICANN-PTI Contract but revised for dates, for change in parties from the ICANN-NTIA Contract, or for other non-substantive revisions are in blue
- New terms or substantive changes to existing terms are in

	immediately following the end of the initial term and shall end on the [fifth (5th)] anniversary of the commencement of the renewal term~~is [TBD].~~ [TBD]		
	• ~~The total duration of the ICANN-PTI Contract, including the automatic renewal under this clause, shall not exceed [TBD] years.~~		
IANA Function Review	• The IANA Function Review (IFR) of PTI's performance will be conducted by the IFRT in accordance with the processes set forth in ICANN's governance documents.		III.A.i.(
	• PTI shall submit to the procedures and scope of the IFR. PTI agrees to make any necessary changes, including amendment to the ICANN-PTI Contract, as adopted and implemented by ICANN and approved by the Members of ICANN following an IFR.		
	• An initial IFR shall take place two years following the transition of the IANA functions to PTI.		
	• Subsequent IFRs shall occur at no more than five-year intervals.		
	• [A special review may also be initiated by the Customer Standing Committee (CSC) in the event that a deficiency identified by the CSC is not remediated after all required escalations, subject to approval by the Country Code Names Supporting Organisation (ccNSO) and the Generic Names Supporting Organisation (GNSO) pursuant to a supermajority vote of each of the ccNSO Council and the GNSO Council.][A special review may also be initiated by the Country Code Names Supporting Organisation (ccNSO) or Generic Names Supporting Organisation (GNSO) in the event that the Customer Standing Committee (CSC) or Top-Level Domains (TLDs) raise concerns sufficient to trigger such review.]		
Performance Monitoring	• The CSC will be established to monitor PTI performance of the IANA naming function according to the ICANN-PTI Contract and Service Level Expectations (SLEs).		III.A.i.
	• PTI shall act in good-faith to resolve all		

Comment [KP57]: *Note to CWG:* Consider having renewal term be consistent with period for IFR (i.e., every 5 years).

Comment [KP58]: *Note to CWG:* This clause was in the prior term sheet, but we do not see a need for its inclusion here. Please advise.

Comment [KP59]: *Note to CWG:* Consider requesting that amendments to the ICANN-PTI Contract (other than renewal and extension in accordance with its terms) require Member approval.

Comment [MK60]: Comment from Martin: the CSC *shouldn't* initiate a review, but that the decision was to be made by the ccNSO and the GNSO. In other words the CSC flags the issue, but it is the cc & GNSO that makes the decision to initiate the special review. I certainly prefer the original text in that it is clear that initiating the review is a decision belonging to the cc and (or?) the GNSO, which is reasonable given the serious nature of the review process.
I have one suggestion, though – the original text calls for ccNSO or GNSO. Reading one of Chucks comments he notes that one of the two might have a strong reason to call for a review whereas the other is not involved. I thought that this was an important point. For the original wording could we amend it to read, "A special review may also be initiated by the Country Code Names Supporting Organisation (ccNSO) or Generic Names Supporting Organisation (GNSO) subject to no opposition from the other NSO in the event that..."

Comment [KP61]: *Note to CWG:* To be discussed. The punch list notes that the special review should only be triggered after the CSC first takes remedial action procedures and then refers the matter to ccNSO/GNSO for approval.

	issues identified by CSC directly and to submit to the escalation mechanics set forth in the ICANN-PTI Contract and ICANN governance documents. • The CSC shall be empowered to escalate identified areas of concern ~~to the ccNSO and/or GNSO. The ccNSO and GNSO will be responsible for developing their own procedures, which will be done post-transition.~~ as set forth in "Escalation Mechanisms" below.			**Comment [MK62]:** Comment from Greg: I don't think we want the ccNSO and GNSO to act as bodies to solve problems with PTI performance. They should just approve a SIFR.
ESCALATION MECHANISMS (IANA Customer Service Complaint Resolution Process)	• Phase 1: If anyone experiences an issue with PTI's delivery of IANA naming functions, the complainant can send an email to PTI, which ~~who~~ will escalate the complaint internally as required. This process is open to anyone, including individuals, registries, ccTLD regional organizations and ICANN SO/ACs. • Phase 2: If the issue identified in Phase 1 is not addressed by PTI to the reasonable satisfaction of the complainant, then direct customers only may request mediation. ICANN and CSC will be~~is~~ notified of the issue and CSC will conduct a reviews to determine whether the issue is part of a persistent performance issue or an indication of a systemic problem. If so, the CSC may seek remediation through the Problem Resolution Process described below. -This process is only open to direct customers. Non-direct customers, including TLD organizations, who have issues unresolved in Phase 1, may escalate the issues to the ombudsman or the applicable liaisons to the CSC. • The complainant may also initiate an Iindependent Rreview Pprocess if the issue is not addressed in the steps above. Further details of the escalation mechanism may be found in [Final Report].		III.A.ii. Annex	**Comment [KP63]:** *Note to CWG:* We revised in accordance with III.A.ii.c. and relevant annexes. The annexes are quite detailed, so we attempted to provide only a high-level summary here. *(handwritten)* Complainants that are **Comment [KP64]:** *Note to CWG:* Placeholder for cross-reference to the Final Report, or other appropriate documentation.
ESCALATION MECHANISMS (IANA Problem Resolution Process)	The CSC may seek resolution with PTI performance issues in accordance with the Remedial Action Plan which includes: • CSC reports persistent issues to PTI and requests remedial action in [TBD] days.		III.A.ii. Annex	**Comment [KP65]:** *Note to CWG:* Should ICANN be able to initiate a Remedial Action Plan outside of CSC review as well? It is the contracting party.

	• CSC confirms completion of the remedial action by PTI. • If CSC determines that the remedial action has been exhausted and has not led to necessary improvements, the CSC is authorized to escalate to the ccNSO and/or the GNSO, who might then decide to take further action using agreed consultation and escalation processes to be determined post-transition.			
ESCALATION MECHANISMS (Root Zone Emergency Process)	[Retain provisions from current ICANN-NTIA Contract.]		III.A.ii. Annex	
ESCALATION MECHANISMS (Separation Review)	• A separation review can be triggered by IFRT in accordance with the ICANN governance documents. PTI shall submit to and comply with the IFR mechanics, including the separation review mechanics, adopted and implemented by ICANN. • All recommendations resulting from the separation review must be approved by the ICANN board.		III.A.ii.	
CONTINUITY OF OPERATIONS	• Retain provisions from current ICANN-NTIA Contract, except that ICANN will perform duties of the Contract Officer (CO) and Contract Officer Representative (COR). PTI agrees to be fully engaged in the transition plan and to provide appropriate transition staff and expertise to facilitate a stable transition of the IANA functions on terms more fully developed in the ICANN-PTI Contract. • ICANN, in conjunction with CSC as necessary, shall review the transition plan every five years.	C.7	III.A.ii.	
COST/PRICE	• ~~No charge to ICANN.~~ • ~~PTI may establish and collect fair and reasonable fees from third parties, subject to ICANN's approval~~ • Fees, if any, will be based on direct costs and resources. • After one year of charging fees, PTI must collaborate with all Interested and Affected Parties to develop the fee structure and a method to tracks costs for each IANA function. PTI must submit copies of the	B.2		

Comment [MK66]: From Greg: I don't think we want the ccNSO and GNSO to act as bodies to solve problems with PTI performance. They should just approve a SIFR.

Comment [KP67]: *Note to CWG:* Please confirm.

Comment [MK68]: Comment from Martin: we have agreed that there should not be an independent evaluation of root-zone change requests, so this row should remain deleted, shouldn't it?

Comment [KP69]: *Note to CWG:* Here, and in a few other places, the original term sheet specified that the CSC would become the Contract Officer or Contract Officer Representative. We assume this was intended in part because ContractCo was not going to have any real staff or employees. ICANN however, can exercise oversight, so unless the powers/ role of the CSC are specifically enumerated in the 2nd Draft Proposal, we have assumed that the contract administration responsibilities are managed by ICANN. Please review and confirm.

Comment [A70]: Comment from Andrew Sullivan: The sample term sheet in Annex S in the cost/price section includes "the IETF, the IAB, 5 RIRs;" in square brackets. Is that to indicate that the relevant inclusions would depend on what contractual relationships were in place?

In any case, this section appears to be at odds with previous ones, that claim that PTI is supported entirely by ICANN and that ICANN is the one doing the charging. I don't have specific text, but I think it ought to be made consistent.

Comment [MK71]: Comment from Martin: pure ignorance – I'm not sure what "No charge to ICANN" means. All (or most) ccTLD contributions to the operation of the IANA are via the ccNSO (the voluntary contributions). So I would expect ICANN to pass on the PTI that amount that was calculated as being the cost of the IANA service. What am I missing?

Comment [KP72]: *Note to CWG:* Has this been done in the past? Should we describe those that have been performed previously and that would continue?

	above and a description of the collaboration efforts to ICANN.		
	• "Interested and Affected Parties" means the multistakeholder, private sector led, bottom-up policy development model for the DNS that ICANN represents; [the IETF, the IAB, 5 RIRs;] ccTLD and gTLD operators; governments; and the Internet user community.		
CONSTRUCTIVE WORKING RELATIONSHIPS	PTI must maintain constructive working relationships with all Interested and Affected Parties to ensure quality and satisfactory performance.	C.1.3	
PTI REQUIREMENTS			
Subcontracting; [U.S. Presence Requirements]	• No subcontracting. • [PTI must be U.S. owned and operated, incorporated and organized under U.S. law.] • [Primary IANA functions must be performed in the U.S.] • [PTI must have a U.S. physical address.]	C.2.1	
Performance of IANA Functions	• IANA functions must be performed in a stable and secure manner. • IANA functions are administrative and technical in nature based on established policies developed by the Interested and Affected Parties. • PTI must treat each IANA function with equal priority and process all requests promptly and efficiently.	C.2.4	
Separation of Policy Development and Operational Roles	PTI staff members will not initiate, advance, or advocate any policy development related to the IANA functions. This section shall not be construed to prevent contributions by staff members by way either of background information or direct text contribution to any document, provided both that the PTI staff are not the only authors of the contribution and that the primary function of the staff member's contribution is in supplying relevant IANA experience and insight. ~~PTI staff members will not initiate, advance, or advocate any policy development related to the IANA functions.~~	C.2.5	
Transparency and Accountability	PTI shall collaborate with all Interested and Affected Parties to develop and post user instructions including technical requirements for the IANA	C.2.6	Annex C

Comment [GA73]: Text proposed by Andrew Sullivan

Sidley comment: Define.

	naming function			
Performance; Service Levels	PTI shall collaborate with all Interested and Affected Parties to develop, maintain, enhance and post performance standards for each IANA function. ICANN and PTI shall develop service level agreements (SLAs) to be annexed to the Contract in accordance with the SLEs attached as Annex I hereto for the performance of these functions[, subject to the approval of ICANN, not to be unreasonably withheld or delayed].	C.2.8	Annex	
Internet Assigned Numbers Authority (IANA) Naming Functions	IANA naming functions include (1) the coordination of the assignment of technical Internet protocol parameters; (2): the administration of certain responsibilities associated with the Internet DNS root zone management; (3) the allocation of Internet numbering resources; and (4)and other services related to the management of the ARPA and INT top-level domains (TLDs).	C.2.9		
IANA Functions	IANA functions include (1) the IANA Naming Functions, (2) the coordination of the assignment of technical Internet protocol parameters, and (3) the allocation of Internet numbering resources.			
Responsibility and Respect for Stakeholders	PTI shall collaborate with all Interested and Affected Parties to develop and post for each IANA function a process for documenting the source of policies and procedures and how each will be implemented.	C.2.7		
[Independent Evaluator]	[[An independent evaluator] shall be appointed to verify that a root zone change request followed all applicable policies and procedures and authorize such change before it is implemented by the RZM. The independent evaluator shall be appointed for set contract periods of [3] years with the possibility of renewal at the agreement of both parties. ICANN shall be empowered to reassign or terminate the evaluator due to a finding of a conflict of interest or a determination that the evaluator failed to properly perform its duties.]			
Perform Administrative Functions Associated With Root Zone Management	• PTI will facilitate and coordinate the root zone of the DNS and maintain 24/7 operational coverage. • Process flow for root zone management involves {two} roles that are performed by {two }different entities: o PTI as the IANA Functions Operator	C.2.9.2	III.A.iii.a./ Annex N	

Comment [MK74]: Comment from Greg: I believe the SLE's will capture aspects of the technical requirements (i.e., the performance levels and standards) but probably would not describe the underlying systems and methods.

Comment [KP75]: Note to CWG: Will these functions be captured in the SLE? If so, we will reference the SLE to be attached as Annex I.

Comment [MK76]: Comment from Greg: Should be subject to mutual agreement, with PTI having independent counsel.

Comment [KP77]: Note to CWG: Included in prior term sheet, but please update as required. Does this assume the numbers and IP protocols will be handled by PTI? Is that a correct assumption?

Comment [GA78]: The term sheet should reflect the Naming community only at this stage.

Comment [GS79]: Answer to comment above is that this is a correct assumption. Disagree with comment directly above. PTI will be the IFO for all IANA Functions, not just the naming functions. When it comes to ICANN's arrangements to subcontract to PTI, we need to deal with all of the IANA Functions.

Comment [KP80]: Note to CWG: Has this obligation been assumed by CSC or some other person? Please advise or amend as necessary.

Handwritten note (top right): Sidley comment: use consistent terminology.

	o VeriSign (or its successor as designated by [ICANN]) as the Root Zone Maintainer (-RZM).		
	• PTI shall work collaboratively with the RZM.		
	• Any amendment to the roles and responsibilities of PTI and the RZM with respect to root zone management will require approval of [ ] the ICANN Board [and the Members of ICANN -or- and a specifically convened IFRT.		
Root Zone File Change Request Management	• The RZM will receive and process from PTI root zone file change requests for TLDs, including addition of new or updates to existing TLD name servers (NS) and delegation signer (DS) resource record (RR) information along with associated 'glue' (A and AAAA RRs). A change request may also include new TLD entries to the root zone file. No authorization for TLD change requests will be needed. • RZM shall process root zone file changes as expeditiously as possible.	C.2.9.2.a	III.A.iii

Root Zone "WHOIS" Change Request and Database Management	• PTI will maintain, update, and make publicly accessible a Root Zone "WHOIS" database with current and verified contact information for all TLD registry operators, at a minimum:
	
	  o TLD name;
	  o the IP address of the primary nameserver and secondary nameserver for the TLD;
	  o the corresponding names of such nameservers;
	  o the creation date of the TLD;
	  o name, address, email, phone and fax numbers of the TLD registry operator;
	  o name, address, email, phone and fax numbers of the technical contact for the TLD registry operator;
	  o name, postal address, email address, phone and fax numbers of the administrative contact for the TLD registry operator;
	  o reports;
		C.2.9.2.b	III.A.iii.a/ Annex N

Comment [KP81]: *Note to CWG:* Please advise. The 2ⁿᵈ Draft Proposal refers only to required consultation with the community.

Comment [GA82]: Included as a result of the DT-F work in Section III

	[Independent Evaluator]] via a Delegation and Redelegation Report, with a copy to ICANN and the registry operator(s) involved.		

Root Zone Automation	• PTI shall work with [ICANN, the CSC and] the RZM, and collaborate with all Interested and Affected Parties, to deploy a fully automated root zone management system promptly, including, at a minimum:
	
	  o a secure (encrypted) system for customer communications;
	
	  o an automated provisioning protocol allowing customers to manage their interactions with the root zone management system;
	
	  o an online database of change requests and subsequent actions whereby each customer can see a record of their historic requests and maintain visibility into the progress of their current requests;
	
	  o test system, which customers can use to meet the technical requirements for a change request;
	
	  o an internal interface for secure communications between ICANN, PTI, [ICANN/the CSC,] and the RZM.
		C.2.9.2.e	

Root DNSSEC Key Management	• PTI shall be responsible for the management of the root zone Key Signing Key (KSK), including generation, publication, and use for signing the Root Keyset.	C.2.9.2.f	
.INT TLD	• PTI shall operate the .INT TLD within the current registration policies for the TLD. • If ICANN designates a successor registry, PTI will facilitate a smooth transition.	C.2.9.4	
Inspection Of All Deliverables And Reports Before Publication	• [ICANN] will perform final inspection and acceptance of all deliverables and reports, including those articulated as Contractor Requirements in the NTIA-ICANN Contract. Prior to publication/posting of reports PTI shall obtain approval from [ICANN], not to be unreasonably withheld or delayed.	C.2.11	**Comment [KP87]:** *Note to CWG:* Is the expectation that ICANN or CSC will have approval rights in the case of deliverables and reports? **Comment [MK88]:** Comment from Greg: I would suggest deleting this.
PTI To Provide Qualified Program Manager	• PTI shall provide trained, knowledgeable technical personnel with excellent oral and written communication skills (i.e., the	C.2.12.a	

	after expiration of the ICANN-PTI Contract.		
Inspection and acceptance	• The [CSC and /ICANN]will perform final inspection and acceptance of all deliverables and reports articulated in Section C.4 of the ICANN-NTIA Contract. • Prior to publication/posting of reports, PTI shall obtain approval from ICANN, not to be unreasonably withheld or delayed.	C.4	
AUDIT REQUIREMENTS / IANA FUNCTION REVIEW & IFRT	• Retain provisions from current ICANN-NTIA Contract, except that ICANN is the CO and COR. • PTI shall submit to the procedures and scope of the IFR and CSC as set forth in ICANN governance documents. • PTI agrees to make any necessary changes, including amendment to the ICANN-PTI Contract, as adopted and implemented by ICANN following an IFR.	C.5	Annex
CONFLICT OF INTEREST REQUIREMENTS	Retain provisions from current ICANN-NTIA.	C.6, H.9	
PERFORMANCE EXCLUSIONS			
PTI not authorized to make changes to Root Zone; link to VeriSign Cooperative Agreement	PTI not authorized to make modifications, additions, or deletions to the root zone file or associated information. (The ICANN-PTI Contract will not alter the root zone file responsibilities as set forth in Amendment 11 of the [Cooperative Agreement NCR-9218742 between the U.S. Department of Commerce and VeriSign, Inc. or any successor entity]). See Amendment 11 at http://ntia.doc.gov/files/ntia/publications/amend11_0 52206.pdf.	C.8.1	
PTI not to change policies and procedures or methods	PTI not authorized to make material changes in the policies and procedures developed by the relevant entities associated with the performance of the IANA functions. PTI shall not change (or implement) the established methods associated with the performance of the IANA functions without prior approval of ICANN.	C.8.2	
Relationship to other contracts	The performance of the functions under the ICANN-PTI Contract, including the development of recommendations in connection with Section C.2.9.2 of the ICANN-NTIA Contract, shall not be, in any manner, predicated or conditioned on the	C.8.3 (which cross-reference s	

Comment [MK98]: Comment from Greg: Consider deleting this for transparency purposes. Acceptance is adequately covered in the first point.

Comment [MK99]: Comment from Greg: Consider deleting this for transparency purposes. Acceptance is adequately covered in the first point.