

**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)**

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27 **II.A.ii. Affected IANA Service (gTLDs)**

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 document and as such will not be included. Details can be found at: <https://www.icann.org/resources/pages/governance/bylaws-en#AnnexA>.

41 **How disputes about policy are resolved (gTLDs)**

42 This is a complex and well-described process that would dwarf this document and as such will not be included. Further details can be found at: <http://newgtlds.icann.org/EN/APPLICANTS/AGB>, which outlines the procedures that were designed with an eye toward timely and efficient dispute resolution. As part of the New gTLD Program, these Procedures apply to all proceedings administered by each of the Dispute Resolution Service Providers (DRSP). Each of the DRSPs has a specific set of rules that will also apply to such proceedings. Furthermore, other ICANN-provided escalation paths such as 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) are available.

43 **References to documentation of policy development and dispute resolution processes (gTLDs)**

- GNSO PDP: <https://www.icann.org/resources/pages/governance/bylaws-en#AnnexA>
- New gTLD Applicant Guidebook: <http://newgtlds.icann.org/EN/APPLICANTS/AGB>
- Independent Review Panel (IRP): <https://www.icann.org/resources/pages/irp-2012-02-25-en>.
- ICANN Ombudsman: <https://www.icann.org/resources/pages/governance/bylaws-en#AnnexB>

contract (accountability).

- Formal definition of the requirements and expectations of IANA by the NTIA – statement of work (oversight).
- Establishment and external monitoring of quality control and performance evaluation mechanisms (oversight and transparency).
- Issue resolution (accountability).
- In relation to NTIA's role as Root Zone Management Process Administrator:
 - Approval of all changes to the content of the Root Zone (oversight and accountability).
 - Approval of all changes to the Root Zone environment, such as the implementation of DNSSEC (oversight and accountability).
 - Approval of all external communications and reporting by IANA to external parties (oversight and accountability).

103 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, any new arrangements should maintain ICANN as the IFO at the time of transition and seek to implement mechanisms designed to provide similarly effective oversight and accountability (as those currently in place), minimize complexity and costs and maintain the security, stability, and resiliency of the DNS and Internet. The public consultation on the CWG-Stewardship's second draft proposal in April-May 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.³

104 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 will require the following elements:

- A contract similar to the current NTIA IANA Functions Contract to perform the IANA names functions post-transition;
- The ability for the multistakeholder community to ensure that ICANN acts according to community requests with respect to IANA names operations;
- Additional insulation, as needed, between operational and policymaking responsibilities and protections for the IFO;
- A mechanism to approve changes to the Root Zone environment (with NTIA no longer providing oversight);

³ See public comment review tool (<https://community.icann.org/x/x5o0Aw>), which categorizes all the input received according to the sections of the proposal and responses to each of these comments from the CWG-Stewardship.

- The ability to ensure that the IANA Functions are adequately funded by ICANN;
- The ability for the multistakeholder community to require, ~~and~~ if necessary after substantial opportunities for remediation, the selection of a new operator for the IANA Functions as they relate to names.

105 While this proposal originates from within the names community, it anticipates that, for reasons of coherence of the IANA function and overall operational logistics, all of the IANA functions will be transferred 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 will have a contract with ICANN. If the other operational communities contract directly with PTI, then those communities will 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 will 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 will no longer need authorization (as is currently the case) and that external communications and reporting will 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 will be an affiliate⁴ controlled by ICANN⁵. The creation of PTI ensures both functional and legal separation within the ICANN organization.
- Establishing a contract between PTI and ICANN that will 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.⁶
- 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.

⁴ An affiliate of an entity means another entity that directly or indirectly controls, is controlled by, or is under common control with the first entity. For example, a parent and its subsidiaries are affiliates because the parent controls the subsidiaries; and two subsidiaries with a common parent are affiliates because the two subsidiaries are under common control by the parent.

⁵ Based on independent legal advice received, the CWG-Stewardship proposes that 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 comprising a majority of PTI Board members appointed by ICANN.

⁶ 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.

- Establishing a framework to approve changes to the Root Zone environment (with NTIA no longer providing oversight).
- Establishing a multistakeholder IANA Function Review (IFR) to conduct periodic and special reviews of PTI.⁷ The results of the IFR will 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.

106

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 coordinated 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 costs 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 to the project level and below as needed. 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.

⁷ 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~~ [five years](#)). It could also be convened for a special review under certain circumstances further described in the escalation mechanisms section below. The review would be authorized by ICANN's governance documents (including the ICANN Bylaws) and referenced in the ICANN-PTI IANA Functions Contract.

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 will be incorporated into the Affirmation of Commitments mandated reviews set forth in the ICANN Bylaws.
4. **CSC.** The creation of a CSC which is empowered to monitor the performance of the IANA functions and escalate non-remediated issues to the ccNSO and GNSO. The ccNSO and GNSO should be empowered to address matters escalated by the CSC.
5. **Separation Process.** The empowerment of the Special IFR to determine that a ~~Separation Process~~[separation process](#) is necessary and, if so, to recommend that a Separation Cross-Community Working Group (SCWG) be established to review the identified issues and make recommendations. See Annex L for more detailed information as to approval requirements with respect to the formation of a SCWG and approval of SCWG recommendations.
6. **Appeal mechanism.** An appeal mechanism, for example in the form of an Independent Review Panel, for issues relating to the IANA functions. For example, direct customers with non-remediated issues or matters referred by ccNSO or GNSO after escalation by the CSC will have access to an Independent Review Panel. The appeal mechanism will not cover issues relating to ccTLD delegation and re-delegation, which mechanism is to be developed by the ccTLD community post-transition.
7. **Fundamental bylaws.** All of the foregoing mechanisms are to be provided for in the ICANN bylaws as "fundamental bylaws." A "fundamental bylaw" may only be amended with the prior approval of the community and may require a higher approval threshold than typical bylaw amendments (for example, a supermajority vote).

115 **IANA Contract and Statement of Work**

116 The issues currently addressed in the NTIA ICANN Functions Contract and related documents will 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 ICANN 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, it is recommended ~~te~~[that PTI](#) have independent legal counsel to advise on the contract. The ICANN bylaws will 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 draft proposed term sheet.

117 **IANA Function Review**

118 The CWG-Stewardship recommends an IANA Function Review (IFR), which will review PTI's performance against the ICANN-PTI Contract and the SOW. The IFR will 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 will also review the SOW to determine if any amendments should be recommended. The IFR mandate is strictly limited to evaluation of PTI performance 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.

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 will operate in a manner analogous to an Affirmation of Commitments (AoC) review. The "fundamental bylaws" will be ICANN bylaws that will 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) will be selected by the Supporting Organizations and Advisory Committees and will 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.

127 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 will 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 will 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 will 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.~~

128 **III.A.ii. Proposed Oversight & Accountability Replacement**

129 **Customer Standing Committee (CSC) - Overseeing performance of IANA Functions as they relate to naming services**

130 The CWG-Stewardship recommends the creation of a CSC to monitor the performance of PTI with the following mission:

"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].

Sidley comment: To conform with deletion in version 4 of "responsibilities" in Annex G

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."

131 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 Councils or either body in the specific case where the issue in question applies only to ccTLDs or

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

gTLDs respectively, which might then decide to take further action using agreed consultation and escalation processes (see Annex J).

132 The complete proposed charter of the CSC can be found in Annex G.

133 **Service Level Expectations (SLEs)**

134 The CWG-Stewardship reviewed the performance standards established under the IANA contract between NTIA and ICANN and considered these inadequate for a registry service of such global importance. In light of the cessation of NTIA's independent stewardship and authorization role, it is an appropriate time for customers to re-evaluate minimally acceptable service levels, reporting requirements and breach levels.

135 The CWG-Stewardship is not proposing any changes to the current work flow process.

136 The CWG-Stewardship is suggesting that there is a requirement placed on IANA, (as part of the ~~Implementation Phase~~[implementation phase](#) of the CWG-Stewardship ~~Proposal~~[proposal](#)) to measure, record and report additional details of transaction times for each Root Zone Management process. Such transparency will provide factual information to assist the CSC, IFRT and the Community to determine and confirm that IANA is continuing to provide non-discriminatory service to the naming community.

137 The CWG-Stewardship also proposes a set of guiding principles that will help define the expectation for the monitoring and reporting environment, and guide the definition of the individual criteria used for reporting and assessment of the naming-related portions of the IANA Functions. Work to define the final ~~SLE~~[SLEs](#) will be on-going to be included with the proposal submitted to the NTIA and will be run in parallel with the ICG process to review the ~~naming community~~[CWG-Stewardship](#) proposal. The objective is to ensure that the naming proposal is not delayed by work to define the SLEs and so to optimize use of the time prior to the final submission of a proposal to the NTIA.

138 For further details, please see Annex H.

139 **Escalation Mechanisms**

140 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-

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.

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.¹⁴ 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.

¹⁴¹ 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.

¹⁴² **Separation Process**

The CWG-Stewardship recommends that an ICANN fundamental bylaw be created to define a separation process that can be triggered by a Special IFR if needed. The Special IFR will only occur if other escalation mechanisms and methods have been exhausted. If the Special IFR recommends a separation process, a Separation Cross Community Working Group (SCWG) which will be formed to review the issues and make recommendations. The recommendations of a Special IFR will need to be approved by a supermajority vote of each of the ccNSO and GNSO Councils, the ICANN Board, and a community mechanism derived from the CCWG-Accountability process before they can be moved to implementation.¹⁵ Any new IFO (or other separation process) will be subject to the approval of the ICANN Board, and a community mechanism derived from the CCWG-Accountability process.¹⁶

There will be no prescribed result arising from the separation process. The SCWG will 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

¹⁴ 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.

¹⁵ This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

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

1.47 **III.A.iii Proposed changes to Root Zone environment and relationship with Root Zone Maintainer**

1.48 In relation to the Root Zone Management Process Administrator role that is currently performed by NTIA, the CWG-Stewardship recommends that this role be discontinued post-transition. As a result of this discontinuation the CWG-Stewardship recommends:

1.49 **Recommendations related to the elimination of NTIA Authorization of changes to the Root Zone content and the associated WHOIS database**

1.50 Currently, changes to the Root Zone File, as well as changes to the Root Zone WHOIS Database, are transmitted to the NTIA for authorization. Such changes cannot be enacted without explicit positive authorization from the NTIA. Post-transition, no authorization for Root Zone change requests will be needed.

- 1) Changes will be required to the IFO and Root Zone Maintainer software to remove this requirement. In the very short term, if making the software changes cannot be completed before the transition and/or to avoid multiple coincident changes, the existing software could be used and IANA staff could authorize the changes (effectively fulfilling the current role of the NTIA at this point in the process).
- 2) Currently there is a Cooperative Agreement between the NTIA and the Root Zone Maintainer. The NTIA has said that there will be a parallel but separate transition to disengage the NTIA from the Root Zone Maintainer. The exact form [of](#) this transition is not currently known, nor what, if anything, will replace the current Cooperative Agreement and the parties involved in providing the services currently covered under the Cooperative Agreement.
 - a) If that transition is not completed prior to the IANA Stewardship Transition, the Cooperative Agreement will likely have to be amended by the NTIA to allow Verisign, acting as the Root Zone Maintainer, to implement changes to the Root Zone requested by the IFO without requiring approval from NTIA.
 - b) If the Root Zone Maintainer transition is completed prior to, or in conjunction with, the IANA Stewardship Transition, the new arrangements must provide a clear and effective mechanism to ensure that PTI can have its change requests for the Root Zone implemented in a timely manner by the Root Zone Maintainer (possibly via an agreement between the Root Zone Maintainer and the IFO).
- 3) It should be determined whether or not additional checks/balances/verifications are required post transition. The CWG-Stewardship recommends that a formal study be undertaken post transition to investigate whether there is a need to increase (and if so, how) the robustness of the operational arrangements for making changes to the Root Zone content to reduce or eliminate single points of failure.¹⁸ This study should

¹⁸ If this recommendation is approved, the estimated costs for the study should be added to the PTI budget for the period(s) in which it will be performed.

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~~ [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.

- 3) 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.

150 III.A.iv. Other

160 ccTLD Delegation Appeals

The CWG-Stewardship recommends not including any appeal mechanism that would apply to ccTLD delegations and redelegations in the IANA Stewardship Transition proposal. For further information, see Annex O.

161 IANA Budget²⁰

162 In order for the multistakeholder community to steward the IANA Functions, the CWG-Stewardship recommends that:²¹

- 1) The IFO's comprehensive costs should be transparent for any future state of the

²⁰ CCWG-Accountability Dependency – see <http://forum.icann.org/lists/comments-ccwg-accountability-draft-proposal-04may15/msg00033.html>

²¹ The names registries have long requested budget transparency and detail. See for example the work of the ccNSO Statement of Policy.

178 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 the Root Zone environment, to the extent of the CWG-Stewardship's scope of work. The CWG-Stewardship further ensures continuity of oversight of service by establishing the CSC. The CSC would oversee operations for IANA naming services, replacing NTIA oversight. The CSC is envisioned as customer-based, and inclusive of other operational communities – should these communities wish to liaise expertise regarding naming services operations. In the CSC, the CWG-Stewardship strengthens a customer-based stewardship of the IANA functions.

170 **IV.B. Description of any legal framework requirements in the absence of the NTIA contract**

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

● *Description of any legal framework requirements in the absence of the NTIA contract.*

181 To provide IANA services to the naming community, the CWG-Stewardship recommends that a new separate legal entity, PTI, be formed as an affiliate of ICANN. In this structure, the existing IANA functions, administrative staff, and related resources, processes, data, and know-how will be legally transferred into PTI. There will be a new ICANN-PTI contract established as a replacement to the current NTIA IANA Functions Contract. The terms of the ICANN-PTI contract will reflect the CWG-Stewardship proposed structure, including escalation and review mechanisms.²⁵ The CWG-Stewardship views the ICANN-PTI contract as a legal framework requirement in the absence of the NTIA IANA Functions Contract: however, given the implications of the proposed PTI structure are more importantly anchored in its associated accountability mechanisms, this section will focus on PTI rather than the contract to which it will be party.

182 As stated above, the CWG-Stewardship proposal foresees moving all IANA functions to PTI. If they decide to do so, the number and protocol communities can continue their agreements with ICANN, which the CWG envisages will then subcontract all the IANA Functions related work to PTI.

183 The CWG-Stewardship proposal surrounds PTI with an accountability framework that strengthens the fulfillment of the NTIA requirements (see Section V). This framework includes the CSC, the IFR, the Special IFR, and the enhanced customer complaint and escalation mechanisms.

184 The establishment of the CSC and the IFR (periodic and special) should be ensured by ICANN Bylaw changes. Since the CSC and IFRs are not separate legal entities, they can be created within the ICANN community structure, similar to working groups, and

²⁵ [Sample terms](#) [A draft](#) proposed [term sheet](#) for the ICANN-PTI contract [are](#) [is](#) available in Annex S.

formalized through the related enhancements proposed in the CCWG-Accountability Work Stream 1 Proposal.

185 The escalation mechanisms and customer service complaint procedures are described in Annexes I and J; a flowchart of the escalation processes is provided in Annex J-1. These mechanisms are not by default legal recourse and therefore do not imply 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.

186 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 to IFO.

187 **IV.C. Workability of any new technical or operational methods**

188 *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.*

189 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.

190 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 = 4 12/15 = 8 80%	workable
IFR	score = 9/15 = 60%	workable
CSC	score = 11/15 = 73%	workable
Customer complaint and		

parties.³³

- Failure of Accountability to External Stakeholders
 - Stress Test #25: ICANN delegates or subcontracts its obligations under a future IFO agreement to a third party. Would also include ICANN merging with or allowing itself to be acquired by another organization.³⁴

107 **IV.D. Length the proposals in Section III are expected to take to complete, and any intermediate milestones that may occur before they are completed**

193 *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.*

194 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 expects that the ~~incorporation of PTI could be done in a short period of time. The longer lead time items are~~ following implementation items could be completed in approximately three to four months, in accordance with the advice of independent legal counsel: (1) identifying the ICANN assets that ~~will need~~ relate to the IANA functions to be assigned to PTI and assigning those assets ~~under~~ to PTI pursuant to an assignment agreement ~~to be entered into between ICANN and PTI~~, (2) ~~incorporating PTI and~~ drafting the PTI governance documents (i.e., articles of incorporation and bylaws) and (3) drafting, ~~negotiating and finalizing the ICANN-PTI Contract. These items could take several months depending on complexity and need for multiples iterations of documents.~~³⁵ The CWG-Stewardship has attempted an initial list of elements for implementation as follows:

To be reviewed by Sidley

- **Service Levels:** A set of guiding principles for the review of the current SLEs used by the IFO have been produced and accepted by the IFO. The sub-group of the CWG-Stewardship responsible for this work (DT-A) will continue its work, using these principles, after the CWG has transmitted its proposal to the ICG, and prior to the ICG submitting its proposal to the NTIA. The objective of this work is to produce a complete and detailed set of recommendations in conjunction with the IFO for the updating of SLEs used by the IFO (this pre-transition work requires approval by the

³³ See page 78 of CCWG-Accountability Proposal for further detail.

³⁴ See page 88 of CCWG-Accountability Proposal for further detail.

³⁵ ~~The CWG-Stewardship's independent legal counsel estimates the implementation of PTI to take approximately 3-4 months.~~ ICANN has not yet assessed the CWG-Stewardship's proposal for an implementation timeline, and there are other factors to consider, such as maintaining ICANN's tax-exempt status, for which the CWG-Stewardship's independent legal counsel could not estimate.

NTIA before the IFO can proceed). These recommendations would be provided to the CSC, post-transition, for its consideration, approval and implementation according to a schedule developed jointly with the IFO.

- **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.³⁶ 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.
- **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.³⁷ At this stage, considering possible interest and modifications pending from the other operational communities, the ICG may propose modifications to PTI.
- **ICANN-PTI Contract:** The CWG-Stewardship, with assistance from its legal counsel, developed a draft proposed ~~Term Sheet~~term sheet, which can be used as a basis to develop the ICANN-PTI term sheet and ultimately the future contract ~~can be developed~~with ICANN. PTI will need to be established, and have the benefit of advice from independent legal counsel, before 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 ICANN Bylaws as a fundamental bylaw as part of a key dependency with the CCWG-Accountability as soon as their work is finalized. A few elements to consider upon implementation of the CSC, once established:
 - What form of consultation is envisioned to take place between ccNSO and GNSO Councils in relation to approving the membership of the CSC?
 - Are candidates who have been proposed to act as temporary replacements to the CSC required to provide an Expression of Interest?
 - Determine how CSC will decide on who will be liaison to the SCWG.
 - What process should the CSC follow in the event it identifies a persistent performance issue or systemic problem that is not serious? Is it still required to follow a Remedial Action?
 - The CWG-Stewardship recommends that a series of best practice governance guidelines be established as part of the implementation process for the purpose of ensuring that the CSC manages issues such as potential or perceived conflicts of interest.
- **IFR (Periodic and Special):** Although the first periodic IFR will not commence until

³⁶ Documentations and details related to the IANA operations budget are available in Annex P, Q and T

³⁷ All documents from legal counsel are available on the CWG-Stewardship Wiki at <https://community.icann.org/display/gnsocwgdstwrdsdp/Client+Committee>.

231 On 1 December 2014, the CWG-Stewardship published its first draft proposal for public comment. This first draft had been designed around the idea of an independent and separate contracting entity, known as “Contract Co.”, to replace NTIA’s stewardship role and contract with the IANA Functions Operator. The comments at the conclusion of the first public comment outlined three key takeaways:

- Customers are currently satisfied with ICANN’s IANA department.
- There was concern over what was viewed as an overly complex structure that lacked details and assurances on accountability.
- Professional and independent legal advice was required to make a determination on post-transition structure

232 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.

233 ⁴⁴Going 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.”). ⁴⁵~~This~~ discussion document is available here: <https://www.icann.org/news/announcement-2015-02-06-en.46>. 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.

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

235 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.

236 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 prior to integration into the evolving CWG-Stewardship Proposal.

⁴⁵ At this point, the CWG-Stewardship had still not secured professional legal advice.
⁴⁶ At this point, the CWG-Stewardship had still not secured professional legal advice.

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.

- 237 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.
- 238 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/gnsocwgdtstwrdsdp/Design+Teams+List>
- 239 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 narrowed down its list of structural models to two variants of an internal accountability/hybrid model: the legal separation mode and the functional separation model.
- 240 The move from seven potential models to two variants of an internal accountability/hybrid model was iterative over a series of sessions. In one session, after explanation of legal counsel's findings, two models: the internal trust and the external trust, were deemed unsuitable to meet the CWG-Stewardship's requirements because the structures were not necessarily recognized legally outside of the U.S. Upon conclusion of these sessions, the CWG-Stewardship also agreed to defer further consideration of the "Contract Co." model (in part, because it did not receive sufficient support after the first public comment period), until the viability of the remaining models could be further considered. In addition, the CWG-Stewardship agreed to defer further consideration of the fully internal model or the standalone IANA hybrid model. The CWG-Stewardship agreed that the remaining models: two variants of an internal accountability/hybrid model (the legal separation model and the functional separate model) required further research on the part of legal counsel before the CWG-Stewardship could make a determination.
- 241 Following the meetings in Istanbul, the CWG-Stewardship, in consultation with its independent legal counsel, held various meetings and reviewed various memos from its legal counsel to determine which of the two variants of an internal accountability/hybrid model – the legal separation model and the functional separation model – would be recommended. The CWG-Stewardship determined that the legal separation model was preferred because it ~~"ring-fenced"~~ would establish PTI as a separate legal entity at the outset, allowing for possible separation from ICANN in the future, if necessary. In addition, the legal separation model allowed for a contract between ICANN and PTI. With that decision reached, the CWG-Stewardship turned its focus to developing an accountability framework to support this model, while legal counsel assisted in addressing governance issues related to the model.

The consideration for the CWG-Stewardship, with consultation from its independent legal counsel, became whether to support a functionally separate model or a legally separate model. The group eventually chose the legally separate model because it ~~"ring-fenced"~~

would establish the separate PTI entity at the outset, allowing for possible separation from ICANN in the future, if necessary. With that compromise in place, the CWG-Stewardship turned its focus to developing an accountability framework to support this model, while legal counsel assisted in addressing governance issues.

242 **Client committee/independent, external legal services**

243 In March 2015, after an extensive request for proposal process, the CWG-Stewardship obtained the services of an external law firm, Sidley Austin LLP, to provide relevant and independent legal advice. The CWG-Stewardship agreed to channel their communication with the law firm through a Client Committee,⁴⁷ with the understanding that all communication (emails and conference calls, between the Client Committee and the law firm) would be publicly available as well as all deliverables prepared by the law firm.

244 At the invitation of the Client Committee, Sidley Austin LLP attended full CWG-Stewardship meetings to respond to questions and provide additional clarifications.

245 Membership of the Client Committee, a list of the Sidley Austin team, meeting recordings, agendas, research and memoranda, etc. are publicly available at:
<https://community.icann.org/display/gnsocwgdstwrdshp/Client+Committee>

246 Through the Design Team method and taking into account external, independent legal advice, the CWG-Stewardship developed its second draft proposal, which was published for public comment from 22 April 2015 until 20 May 2015. During this public consultation period the aspects of the second proposal were further refined and discussed, using the same method for developing the second proposal.

247 After closure of the public comment period (20 May 2015), the CWG-Stewardship reviewed all comments received, and, where appropriate, the Design Teams prepared responses to the comments received and refined their output.

248 Based on the second proposal and further discussion by the full CWG-Stewardship and Design Teams, taking into account the public comment analysis, the Final Proposal was developed.

249 **Determining consensus**

250 The proposal was developed in a bottom-up, multistakeholder manner, which included multiple readings of the drafts. The drafts were posted publicly and open to comment by CWG-Stewardship members and participants with respect to each of the draft proposal iterations. The first draft of the Final Proposal was circulated for review and comment by the CWG-Stewardship, on 1 June 2015, with a dedicated first reading during the 2 June 2015 plenary meeting. The second draft was delivered on 3 June 2015, with a dedicated second reading during the 4 June 2015 call. A third and final reading took place on 9 June 2015.

⁴⁷ The Client Committee was composed of the two co-chairs and two CWG-Stewardship members.

251 Following the Final reading, the Final Proposal was sent to the CWG-Stewardship for a 24-hour period during which any errors, comments, or statements could be noted for the record. At the end of this 24-hour period (ending at 23:59 UTC on 10 June [2015](#)), the CWG-Stewardship co-Chairs added a note to Section VI.C., below, and sent the Final Proposal to the SO/AC Chartering Organizations for their approval. Chartering Organizations' approval is requested by 25 June [2015](#) so as to deliver to the ICG.

252 **VI.B. Links to announcements, agendas, mailing lists, consultations, and meeting proceedings**

253 **Meetings**

- Full CWG–Stewardship (meeting dates, agendas, participants and meeting notes): <https://community.icann.org/display/gnsocwgdstwrshp/Meetings>
- CWG-Stewardship Sub-Teams: <https://community.icann.org/display/gnsocwgdstwrshp/%5BArchive%5D+Work+Item+Sub+Groups>
- Design Teams: <https://community.icann.org/display/gnsocwgdstwrshp/Design+Teams>
- Client Committee: <https://community.icann.org/display/gnsocwgdstwrshp/Client+Committee>

254 **Public consultations**

- 1 December public consultation on first CWG-Stewardship draft transition proposal: <https://www.icann.org/public-comments/cwg-naming-transition-2014-12-01-en>
 - Responses to the December 2014 public comment: <https://www.icann.org/public-comments/cwg-naming-transition-2014-12-01-en#summary>
- February 2015 Discussion document for ICANN52 meeting: <https://community.icann.org/pages/viewpage.action?pagelId=52889457>
- May 2015 public comment on second CWG-Stewardship draft transition proposal: <https://www.icann.org/public-comments/cwg-stewardship-draft-proposal-2015-04-22-en>

255 **Webinars and other public presentations**

- Webinar 3-4 December 2014: <https://community.icann.org/pages/viewpage.action?pagelId=50823496>
- Webinar 3 February 2015: <https://community.icann.org/pages/viewpage.action?pagelId=52232656>
- Presentations at ICANN 52 Singapore: <http://singapore52.icann.org/en/schedule/thu-cwg-stewardship>
- Webinars 24 April 2015:

<https://community.icann.org/pages/viewpage.action?pagelId=52897455>

- Webinars 6-7 May 2015:
<https://community.icann.org/pages/viewpage.action?pagelId=53772631>
- Webinars 11 June:
<https://community.icann.org/pages/viewpage.action?pagelId=53778352>

256 **Mailing list archives**

- <https://community.icann.org/display/gnsocwgdstwrshp/Mailing+List+Archives>

257 **Correspondence**

- <https://community.icann.org/pages/viewpage.action?pagelId=49355992>

258 **Outreach**

- <https://community.icann.org/display/gnsocwgdstwrshp/Outreach+Tracking+CWG-Stewardship>

259 **VI.C. Assessment of the level of consensus behind your community's proposal, including a description of areas of contention or disagreement**

260 To be completed by CWG-Stewardship Chairs following the 24-hour review period that ends on 10 June [2015](#) at 23:59 UTC.

consensus could not be reached, the IANA Function Review Team could decide by a majority vote of the group members.

294 The CWG-Stewardship expects that each IANA Function Review should take nine months from the appointment of members to the IANA Function Review Team to the publication of a final report, including conducting two 40-day public comment periods.

295 **How is the wider community involved in such a review?**

296 As with other Cross Community Working Groups, the CWG-Stewardship recommends that all mailing lists and meetings will be open to interested participants and transparent, with recordings and transcripts made available to the public. At several stages in the process, community comment will be requested:

- Near the beginning of the process, the community will be asked to consider issues relevant to the review; and
- Midway through the process, a draft report will be provided for community review.

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

298 **What should trigger reviews?**

299 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.

300 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).

301 Following exhaustion of the foregoing escalation mechanisms, the ccNSO and GNSO will be responsible for checking and 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 or not a Special IFR ~~was~~ necessary. After consideration, ~~including~~ which may include a public comment period and must include meaningful consultation with other SO/ACs, 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 will follow the same multistakeholder cross community composition and process structure as the periodic IANA Function Review. The scope of the Special IFR will be narrower than a periodic IFR, focused primarily on the identified

[Sidley Comment: Conforms paragraph 125.](#)

[Sidley Comment: Conforms paragraph 125.](#)

[Sidley Comment: Conforms paragraph 125.](#)

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.

302 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.

303 **CCWG Accountability Dependencies**

304 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).

305 **Table of Reviews**

Review Type	Frequency	Responsible
IANA Function Review (IFR) including: Statement Of Work (SOW)	Initially, two years, then moving to every <u>no more than</u> five years Special IFR can also be triggered by the ICANN community	IANA Function Review Team
Review monthly performance report	Monthly	CSC
Site visit	On-demand	IANA Function Review Team
Review CSC report on IANA Functions Operator performance SOW report	Annual	AC/SO/ICANN Comment period ICANN Board

- One liaison from the IANA Functions Operator (PTI).

326 Liaisons can also be appointed from the following organisations; however, providing a Liaison is not mandatory for any group:

- One liaison each from other ICANN SOs and ACs:
 - GNSO (non-registry)
 - ALAC
 - NRO (or ASO)
 - GAC
 - RSSAC
 - SSAC

327 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.

328 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.

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

330 The CSC as a whole will decide who will serve as the Liaison to the IANA Function 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.

331 **Membership Selection Process**

332 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:

- Why they are interested in becoming involved in the CSC.
- What particular skills they would bring to the CSC.
- Their knowledge of the IANA Functions.
- Their understanding of the purpose of the CSC, ~~and~~.
- That they understand the time necessary required to participate in the CSC and can commit to this role.

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

345 The CSC shall meet at least once every month via teleconference at a time and date
agreed ~~by~~ upon by members of the CSC.

346 The CSC will provide regular updates, no less than three per year, to the direct customers
of the IANA naming function. These updates may be provided to the RySG and the
ccNSO during ICANN meetings.

347 The CSC will also consider requests from other groups to provide updates regarding the
IANA Functions Operator's performance.

348 **Record of Proceedings**

349 Minutes of all CSC teleconferences will be made public within five business days of the
meeting.

350 Any remedial action will also be reported by the CSC.

351 Information sessions conducted during ICANN meetings will be open and posting of
transcripts and presentations will be done in accordance with ICANN's meeting
requirements.

352 **Secretariat**

353 The IANA Functions Operator will provide secretariat support for the CSC. The IANA
Functions Operator will also be expected to provide and facilitate remote participation in
all meetings of the CSC.

354 **Review**

355 The Charter will initially be reviewed by a committee of representatives from the ccNSO
and the RySG one year after the first meeting of the CSC. The review is to include the
opportunity for input from other ICANN stakeholders, via a Public Comment process. Any
recommended changes are to be ratified by the ccNSO and the GNSO.

356 Thereafter, the Charter will be reviewed at the request of the CSC, ccNSO or GNSO and
may also be reviewed in connection with the IANA Function Review.

357 The effectiveness of the CSC will initially be reviewed two years after the first meeting of
the CSC; and then every three years thereafter. The method of review will be determined
by the ccNSO and GNSO.

358 The CSC or the IANA Functions Operator can request a review or change to service level
targets. Any proposed changes to service level targets as a result of the review must be
agreed to by the ccNSO and GNSO.

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	<p>occurred (or evidence to contrary)</p> <ul style="list-style-type: none"> • Cause • Correction made on individual case • Corrective action plan to: • remedy current situation • prevent future occurrence • Corrective action plan required in 14-days 	<ul style="list-style-type: none"> • Remediate earlier failed plan • Include new violations • Corrective action plan milestones missed • Two or more additional "notification" violations occur while corrective action plan is open 	<p>operational changes to correct lack of corrective action</p>	<p>through the ICANN-PTI contract and/or Special IFR</p>
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Annex H – Service Level Expectations

The CWG-Stewardship is not proposing any changes to the current work flow process. The CWG-Stewardship is suggesting that there is a requirement placed on IANA, (as part of the ~~Implementation Phase~~[implementation phase](#) of the CWG Stewardship ~~Proposal~~[proposal](#)) to measure, record and report additional details of transaction times for each Root Zone Management process.

Such transparency will provide factual information to assist the CSC, IFRT and the ~~Community~~[community](#) to determine and confirm that IANA is continuing to provide non-discriminatory service to the naming community. Further by having clarity as to process, it can be confirmed that IANA staff may not be the cause of the delay in the execution of the change request. On other occasions due to the wide time window for current SLEs, there is an opportunity for — or the perception for — certain TLD Managers to have preferential treatment and change requests completed in a matter of days, whilst other requests take much longer and yet still be in the approved ~~time~~.

Sidley Comment: Word mis

Principles

These are a set of guiding principles that will help define the expectation for the monitoring and reporting environment, and guide the definition of the individual criteria used for reporting and assessment of the naming-related portions of the IANA Functions:

1. **Attributable measures.** *Unless clearly impractical, individual metrics should be reported attributing time taken to the party responsible. For example, time spent by IANA staff processing a change request should be accounted for distinctly from time spent waiting for customer action during a change request.*
2. **Overall metrics.** *In addition to the previous principle, overall metrics should be reported to identify general trends associated with end-to-end processing times and processing volumes.*
3. **Relevance.** *All metrics to be collected should be relevant to the validation of customer service. In addition some are the critical metrics that are considered important to set specific thresholds for judging breaches in ICANN's ~~ability to provide an appropriate~~ level of service.*
4. **Clear definition.** *Each metric should be sufficiently defined such that there is a commonly held understanding on what is being measured, and how an automated approach would be implemented to measure against the standard.*
5. **Definition of thresholds.** *The definition of specific thresholds for performance criteria should be set based on analysis of actual data. This may require first the definition of a metric, a period of data collection, and later analysis by IANA customers before defining the threshold.*
6. **Review process.** *The service level expectations should be reviewed periodically, and adapted based on the revised expectations of IANA's customers and relevant updates*

*Sidley Comment: Should th
the IFO?*

to the environment. They should be mutually agreed between the community and the IANA Functions Operator.

7. **Regular reporting.** To the extent practical, metrics should be regularly reported in a near real-time fashion.

Capturing the current status-quo for IANA Root Zone Management

Introduction

Service Level Expectations (SLEs) for a domain name registry are typically based on measuring specific transactions sent by a client to the registry. The metric for a transaction is generally of the form of "Transaction A must complete within X period Y percent of the time measured over Z", for example, "a root zone update must complete within 72 hours 95% of the time measured on a monthly basis". The Root Zone Management process currently presents unique challenges in that IANA is not responsible for all phases of processing, therefore the SLEs must be written to accommodate the phases of the process, and to be mindful of the different attribution for these phases.

These SLE metrics are based on the following current assumptions:

- A. For the purposes of the SLE discussion, the current process is simplified to five key stages for all change requests (notification is implicit in each stage):
 1. Confirm the details of the change;
 2. Verify the change complies with documented technical standards and policies and all applicable checks pass;
 3. Obtain authorization/consent to proceed with the change;
 4. Implement the change; [and](#)
 5. Notify the change requester of completion of the change.
- B. Root Zone Management processes for routine change requests are largely automated. This automation includes:
 1. A web-based interface for submitting change requests to the IANA [FunctionFunctions](#) Operator. The web-based interface authenticates the credentials presented by the change requester and facilitates the creation of root zone file and root zone database change requests.
 2. Near-real time confirmation email to the initiator of the change request of its safe receipt by the IANA system. Note, in certain circumstances, the request is initiated by other means such as fax or written letter. In these situations, email may not necessarily be used in communications.
 3. Automated technical checks conducted by the IANA system on the change request. These checks ensure conformance of the technical data with agreed minimum standards, and check for errors in the material submitted.
 4. Seeking consent from the relevant contacts for the domain, through an automated email verification process where approval requests are sent to both, at a minimum, the admin

and technical contacts at the Registry for both parties to consent to the update. (Note: Some contacts are slow to respond which creates inefficiency in the validation process. In certain circumstances, third party verification is also required, e.g. Governmental approvals).

5. The verified change request is transmitted to NTIA for authorization. For changes that impact the root zone file, the change request is also transmitted to the Root Zone Maintainer This is performed via an online interface.
6. Once confirmed, notification is sent by NTIA to IANA, and for changes that impact the root zone file, to the Root Zone Maintainer authorizing the change request for implementation.
7. Prior to implementation, the Root Zone Maintainer repeats automated technical compliance checks on the request and once verified, implements the change within the root zone file. This file is typically published twice daily.
8. On publication of updates to the root zone file, [the](#) Root Zone Maintainer notifies IANA, who verifies the changes match the requested changes, and notifies the Registry.

C. The processing role currently undertaken by the NTIA will no longer exist in a post-transition environment and those steps will no longer be undertaken. This means that IANA will have responsibility for triggering implementation at the conclusion of processing and communicating directly with the maintainer of the Root Zone.

D. IANA's online systems operate 24 hours a day, 365 days a year, except for maintenance periods, as befits a service that has customers around the globe.

Monitoring Past Performance:

(We accept past performance is no indication of future performance but it does capture the status-quo).

The ~~SLE-Group~~[CWG-Stewardship](#) conducted [an](#) historical analysis of IANA performance based on two sources: data published in IANA performance reports, and transaction logs provided by ccTLD registries interacting with the IANA root management function. The data sources were for the period September 2013 to January 2015, 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~~[Four](#) transactions took longer than ~~4~~[one](#) year (which is not necessarily a problem if the stability of the DNS is assured). A summary of this research is presented [here](#).

Sidley Comment: [Link miss](#)

Sidley Comment: [Conforms paragraph 137.](#)

~~The ongoing work of DT-A~~ [\(Work\)](#) to define the final SLE to be included with the proposal submitted to the NTIA will be run in parallel with the ICG process to review the ~~naming~~ [community](#)[CWG-Stewardship](#) proposal. The objective is to ensure that the ~~naming~~[CWG-](#)

[Stewardship](https://community.icann.org/x/CA4nAw) proposal is not delayed by work to define the SLEs and so to optimize use of the time prior to the final submission of a proposal to the NTIA. Review of the ongoing work can be viewed here: <https://community.icann.org/x/CA4nAw>.

Annex I – IANA Customer Service Complaint Resolution Process for Naming Related Functions

361 *(Modified Procedure)*

362 Refer to the existing ICANN-IANA process at <http://www.iana.org/help/escalation-procedure>.

363 If anyone experiences an issue with the IANA Functions Operator's delivery of the IANA services, then it should be reported to the IANA Functions Operator as follows. This process should be used in cases where response has been too slow, where a possible mistake has been made, or when there appears to have been inequitable service delivery.

364 **Phase 1 – Initial remedial process for IANA naming functions**

365 The complainant could send an e-mail to escalation@iana.org and provide the ticket numbers of the requests where the problem arose. If the problem is not resolved, IANA staff will escalate the problem to the following team members in this order as applicable:

- IANA Function Liaison for Root Zone Management;
- IANA Functions Program Manager; and
- Ombudsman (voluntary step).

366 Efforts are made to resolve complaints as soon as possible but the structured process above allows escalation of complaints to the IANA management team. If, at any point, the complainant is not satisfied with the resolution process, the complainant can use the Ombudsman (or similar process) instead.

367 **Who can use the process?**

368 This process is open to anyone.⁵³ The functions include:

- Protocol Parameters management, including the management of the .ARPA TLD.
- Root Zone Management;
- Root DNS KSK Management;

⁵³ Including individuals, ccTLD regional organizations, ICANN SO/ACs, etc.

- Internet Number Resources Allocation; and
- Management of the .INT TLD.

369

370 What information must be provided?

370 ~~374~~ In addition to providing the ticket numbers for the requests where the problem arose, the customer should provide any other information that may be needed to understand and resolve the complaint.

371 372 What is the expected time line?

372 ~~373~~ Receipt of a complaint will be acknowledged within one business day and a substantive response will be sent within two business days. Efforts will be made to resolve complaints as soon as possible.

373 374 Is there another resolution process?

374 ~~375~~ The Ombudsman or similar service can help resolve problems using Alternative Dispute Resolution techniques. (In the case of the current IANA Functions Operator, the ICANN Ombudsman web pages have more details.)

375 376 Escalation contact information for the current IANA Functions Operator (ICANN)

Role	Name	Email Address
IANA	IANA Staff	iana@iana.org
IANA Function Liaison for Technical Protocol Parameters Assignment	Michelle Cotton	michelle.cotton@icann.org
IANA Function Liaison for Root Zone Management	Kim Davies	kim.davies@icann.org
IANA Function Liaison for Internet Number Resource Allocation	Naela Sarras	Naela.sarras@icann.org
IANA Functions Program Manager	Elise Gerich	elise.gerich@icann.org
Ombudsman	Chris LaHatte	ombudsman@icann.org

376 ~~377~~ If an issue is escalated to members of the IANA team and/or to the Ombudsman or equivalent, the CSC is notified of the issue for informational purposes only.

377 378 Phase 2 (for IANA naming services only)

[378](#) ~~379~~ Should the issue not be resolved after Phase 1, the following escalation mechanisms will be made available to direct customers, the IFO and the ICANN Ombudsman:⁵⁴

- a) If issue is not addressed, the complainant (direct customer), IFO or the ICANN Ombudsman may request mediation.⁵⁵
- b) CSC is notified of the issue by complainant and/or the IANA Functions Operator. CSC reviews to determine whether the issue is part of a persistent performance issue and/or is an indication of a possible systemic problem. If so, the CSC may seek remediation through the IANA Problem Resolution Process (see Annex J).
- c) The complainant (direct customer) may initiate an Independent Review Process or pursue other applicable legal recourses that may be available, if the issue is not addressed.

⁵⁴ Non-direct customers, including TLD organizations, that are of the view that an issue has not been addressed through Phase 1 may escalate the issue to the ICANN Ombudsman or via the applicable liaisons to the CSC to Phase 2.

⁵⁵ The CWG-Stewardship recommends that as part of the implementation of this proposal, ICANN Staff explore possible approaches with regards to mediation such as, for example, Section 5.1 of the Base gTLD Registry Agreement (<https://www.icann.org/resources/pages/registries/registries-agreements-en>).

Annex J - IANA Problem Resolution Process (for IANA naming services only)

[379](#) ~~380~~ (New procedure)

[380](#) ~~381~~ **Problem resolution (including responding to persistent performance issues or systemic problems)**

[381](#) ~~382~~ The Customer Standing Committee (CSC) is authorized to monitor the performance of the IANA Functions against agreed service level targets on a regular basis. In the event that persistent performance issues are identified by the CSC, the CSC will seek resolution in accordance with a Remedial Action Plan, which includes:

- 1) CSC reports persistent performance issues to the IANA Functions Operator staff and requests remedial action in a predetermined number of days.
- 2) CSC confirms completion of remedial action.
- 3) 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 PTI Board and further if necessary.
- 4) If the performance issues are still not resolved after escalation to the PTI Board, the CSC is authorized to escalate to the ccNSO and/or the GNSO,⁵⁶ which might then decide to take further action including the initiation of a ~~special~~ [Special](#) IFR.

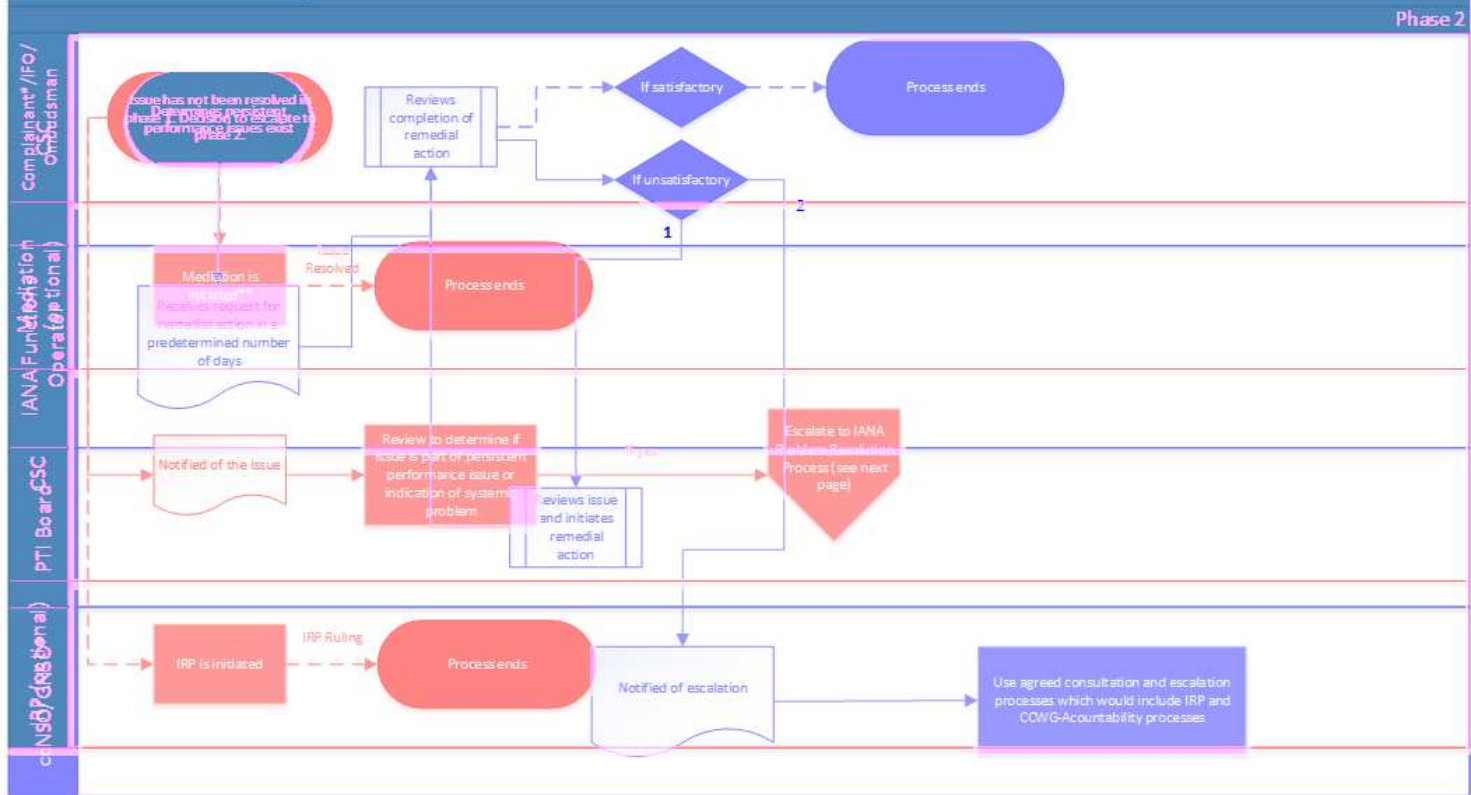
[382](#) ~~383~~ **Systemic problems**

[383](#) ~~384~~ The IANA Function Review will include provisions to consider and address whether there are any systemic issues that are impacting IANA naming services.

Annex J-1 – Escalation Mechanisms Flow Charts

⁵⁶ The roles of the ccNSO and GNSO in this step should be further investigated to ensure that this is consistent with their missions as well as to identify any actions that may be needed by the SOs to allow for this role.

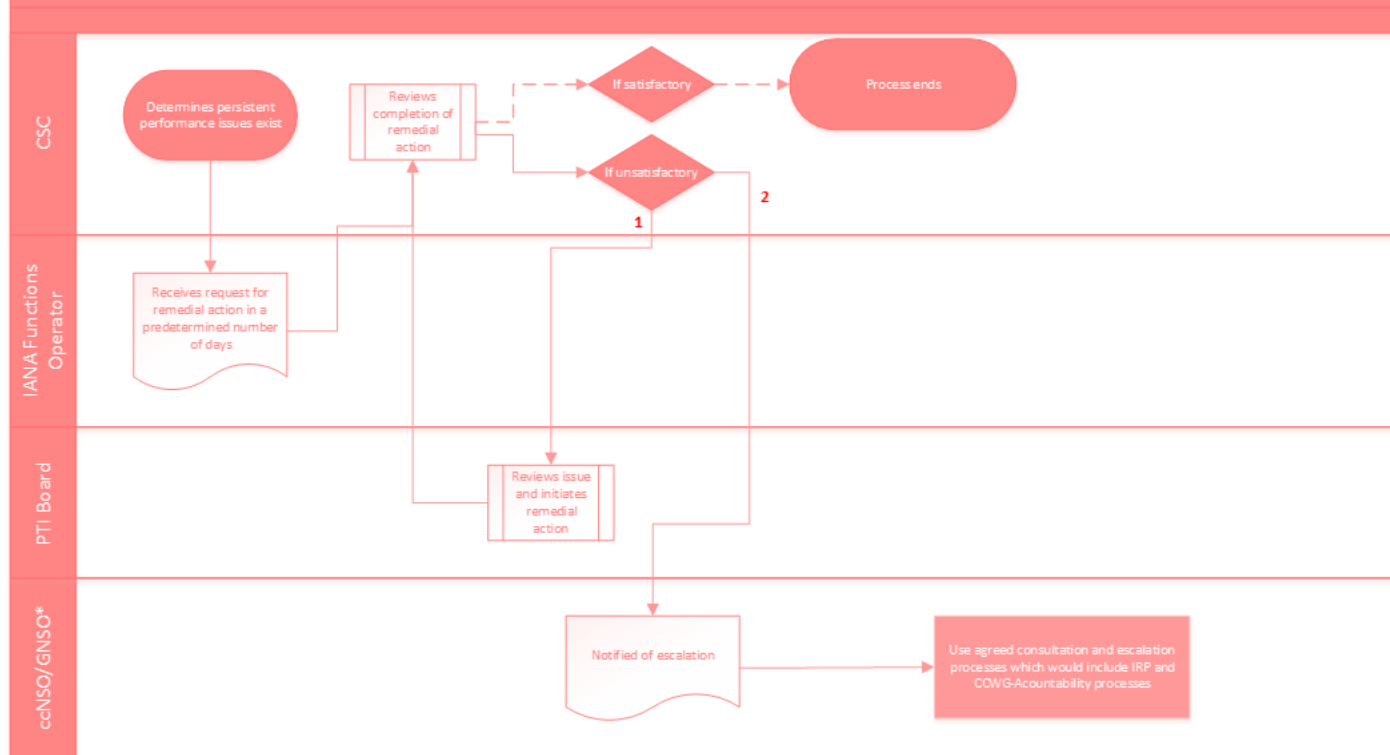
(Modified graphics) Complaint Resolution Process for Naming Related Functions



* The roles of the cNSO and GNSO in this step should be further investigated to ensure that this is consistent with their missions as well as to identify any actions that may be needed by the SOs to allow for this role.

Note: The IANA Function Review will include provision to consider whether there are any systemic issues that are impacting IANA Naming services, which might then decide to take further action using agreed consultation and escalation mechanisms which would include IRP and CCWG-Accountability Work Stream 1 accountability mechanisms. The CCWG-Stewardship recommends that as part of the implementation of this proposal, ICANN Staff explore possible approaches with regards to mediation such as, for example, Section 5.1 of the Base gTLD Registry Agreement (<https://www.icann.org/resources/pages/registries/registries-agreements-en>).

(Deleted graphics) on Process



* The roles of the ccNSO and GNSO in this step should be further investigated to ensure that this is consistent with their missions as well as to identify any actions that may be needed by the SOs to allow for this role.

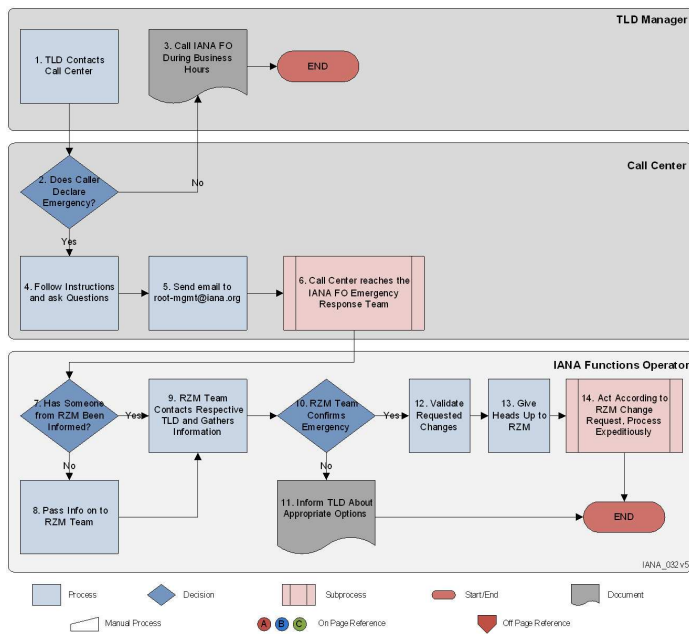
Note: The IANA Function Review will include provision to consider whether there are any systemic issues that are impacting IANA Naming services, which might then decide to take further action using agreed consultation and escalation mechanisms which would include IRP and COWG-Accountability Work Stream 1 accountability mechanisms.

Annex K - Root Zone Emergency Process

[384](#) ~~385~~ In addition to general staff availability during standard business hours, the IANA Functions Operator will continue to provide TLD managers with a 24x7 emergency contact number that allows TLD managers to quickly reach the IANA Functions Operator to declare an emergency and seek to expedite a Root Zone change request. The IANA Functions Operator will execute such changes in accordance with the obligations of the standard Root Zone management workflow as expeditiously as possible. This prioritization will include performing emergency reviews of the request as the first priority, out of ordinary business hours if necessary, and informing its contacts at the Root Zone Maintainer⁵⁷ of any pending changes that will require priority authorization and implementation.

[385](#) ~~386~~ Please note that both figures below are consistent with existing processes but terminology has been updated to ensure consistency and general applicability.

Figure 1.2-41. 24x7 Emergency Process



Annex L – Separation Process

[386](#) ~~387~~ In the event that an IANA Function Review results in a decision to initiate a separation process, the following processes must be followed.

[387](#) ~~388~~ 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 will 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 will 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.⁵⁸ A determination by the ICANN Board to not approve a SCWG that had been supported by a supermajority of the ccNSO and GNSO Councils will 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.

[388](#) ~~389~~ There will be no prescribed result arising from the separation process. It will 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 will 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.⁵⁹

[389](#) ~~390~~ **Composition**

[390](#) ~~391~~ The SCWG will be composed as follows:⁶⁰

- ccNSO - 2
- ccTLDs (non-ccNSO) - 1
- Registry Stakeholder Group (RySG) - 3
- Registrar Stakeholder Group (RrSG) - 1

⁵⁸ This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

⁵⁹ 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.

⁶⁰ Given the unique purpose and task of the Separation Cross 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 in this proposal shall prevail.

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

[391](#) ~~392~~ 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.

[392](#) ~~393~~ 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.

[393](#) ~~394~~ 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.⁶¹

[394](#) ~~395~~ **Responsibilities**

[395](#) ~~396~~ The SCWG will be responsible for:

- Determine how to resolve the issue(s) which triggered formation of the SCWG; and
- If the decision is to issue an RFP:
 - Developing RFP Guidelines and Requirements for the performance of the IANA Naming Functions;
 - Soliciting input on requirements to plan, and participation in, the RFP Process;

⁶¹ 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.

- Reviewing responses to the RFP⁶²;
 - Selecting the entity that will perform the IANA Naming Functions; and
 - Managing any other Separation Process.
- If a different process such as PTI divestiture or other reorganization is to be recommended, develop recommendations for that process.

[396](#) ~~397~~ The selection of a new operator to perform the IANA Naming Functions or other separation process will be subject to approval by the ICANN Board, and a **equivalent** community mechanism derived from the CCWG-Accountability process.⁶³ 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 will 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 will carry out the role currently performed by PTI for the IANA naming functions. ICANN will 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 were 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.

[397](#) ~~398~~ **CCWG Accountability Dependencies**

[398](#) ~~399~~ Enumeration of the relevant accountability mechanisms that could or must be exhausted before a separation 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).

⁶² 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 its task and to remediate any problems. This remediation could include recommendations for further separation.

⁶³ This community mechanism could include ICANN membership, if ICANN were to become a membership organization per the CCWG-Accountability work efforts.

Annex M – Framework for Transition to Successor IANA Functions Operator

[300](#) ~~400~~ Framework principles

- The integrity, stability, and availability of the IANA Functions must be the core concern during any transition of the IANA Functions.
- Both the incumbent and any possible future IANA Functions Operator will be required to fully engage in the transition plan.
- All involved parties will be required to provide appropriate transition staff and expertise to facilitate a stable transition of the IANA operations.

[400](#) ~~404~~ Framework recommendations

- 1) The transition framework outlined in this document must be further developed into a detailed, fully functional, transition plan within 18 months of the date of implementation of the overall IANA Stewardship Transition.
- 2) The budget for IANA operations should be augmented with specific funding for the detailed transition plan development referred to in 1 (see above).
- 3) The process established for the potential transitioning of the IANA Functions to an operator other than the incumbent operator should specifically recognize that the detailed transition plan referred to in 1 (see above) must be in place before the commencement of the transitioning process.
- 4) Once developed, the full Transition to Successor IANA Functions Operator Plan should be reviewed every year to ensure that it remains up to date and every five years to ensure that it remains fit for purpose.

[401](#) ~~402~~ Dependencies

[402](#) ~~403~~ Some elements of this framework may have to be adapted further depending on the CWG-Stewardship names model selected and the final transition proposal from the ICG to NTIA.

[403](#) ~~404~~ Additionally, part of the final proposal development work will need to identify those elements/clauses of the CWG-Stewardship's proposal that are relevant to the transition framework (using the NTIA-ICANN Functions Contract clauses table in C.7.3 for guidance).

[404](#) ~~405~~ Note on terminology: While the current plan is based on a contractual relationship between the NTIA and ICANN, the CWG-Stewardship has elected to refer to the "operator" of the IANA Functions rather than "contractor" for the purposes of this annex. So ICANN as the current operator is referred to as the Incumbent IANA Functions

Operator (IIFO) and the successor operator is referred to as the Successor IANA Functions Operator (SIFO) in this Annex M.

[405](#) ~~406~~ **(Revised) plan: framework for transition to Successor IANA Operator**

[406](#) ~~407~~ This framework plan outlines key actions that will allow the incumbent IANA Functions Operator (IIFO) to ensure an orderly transition of the IANA Functions to a successor IANA Functions Operator (SIFO) while maintaining continuity and security of operations.

[407](#) ~~408~~ **Document structure**

[408](#) ~~409~~ This document identifies those functions, systems, processes and documents that might need to be transitioned by the incumbent IANA Functions Operator, including actions that would be required to allow a successor operator to perform the IANA Functions.

[409](#) ~~410~~ Additional documents of importance to a transition include:⁶⁴

- Current KSK Operator Function Termination Plan.
- Current CCOP (DIDP was not able to be released as requested through the DIDP process due to security and stability related concerns).
- Current ICANN Plan for Transition to Successor Contractor.

[410](#) ~~411~~ **Transition actions**

- 1) **IANA website:** The Incumbent IANA Functions Operator will transfer the content of the IANA website and provide copies of, or links to, the publicly available text for all processes, performance standards, request templates, and other pages used to support operations or provide context to reporting. Intellectual property rights related to the IANA website and published documents will need to be assigned or licensed to the successor operator.
- 2) **IANA Functions registry data:** Data held by IANA Functions Operator will also need to transition, and some of that data will affect other communities; details of the data that is being transitioned will be determined when the full transition plan is produced.
- 3) **Root Zone automation system:** The Incumbent IANA Functions Operator will transfer relevant information and management software, as appropriate and as determined by the transition plan.
- 4) **Request history data:** The Incumbent IANA Functions Operator will provide a copy of the databases it has used to store requests data, including ticketing systems and

⁶⁴ All documents are available on the CWG-Stewardship Wiki here:
<https://community.icann.org/display/gnsocwgdstwrdsHP/DT-L+Transition+Plan>.

workflow management systems used for protocol parameter registries and the maintenance of the DNS Root Zone. The Incumbent IANA Functions Operator will also provide copies of any published reports and paper records it holds supporting these request histories.

- 5) **Documentation and knowledge:** The Incumbent IANA Functions Operator will provide a copy of all documentation that captures formalized processes, institutional knowledge and experience related to the operation of the IANA Functions. The IIFO is also encouraged to provide documentation related to Monthly Performance Progress reports, Customer Satisfaction Surveys, External Auditor reports, Conflicts of Interest processes established by the IIFO, and the IIFO's Contingency and Continuity of Operations Plan.
- 6) **Secure notification system data** The Incumbent IANA Functions Operator will provide details of the notification categories, the subscribers to those categories and a history of notifications.
- 7) **Root KSK transition** In 2010, ICANN developed a Root Zone KSK Operator Function Termination Plan that sets out the steps ICANN will take if required to transition its duties and responsibilities as the Root Zone Key Signing Key (KSK) operator to another entity. This plan was provided to NTIA in 2010.⁶⁵ That plan requires that a full KSK rollover be done so the successor starts fresh.⁶⁶
- 8) **Transition assistance:** The Incumbent IANA Functions Operator will assist the successor IANA Functions Operator during the transition period until the time the requisite service levels, security and stability are achieved. Such assistance would include training the employees of the successor IANA Functions Operator and developing training material.
- 9) **Security for data retention:** The Incumbent IANA Functions Operator will continue to provide security for any data retained by it after transferring such data to the successor IANA Functions Operator.

⁶⁵ KSK Termination Plan (June 2010)

⁶⁶ Given that there has up to now never been such a KSK roll-over and given the desire to maintain stability of security of the root zone a somewhat lighter procedure can be followed (TBD). The important part is the transfer of administration of the HSMs, related infrastructure and the operation of the key ceremonies. This is not unlike the process that ~~will take~~ place in April 2015 when the Hardware Security Modules (HSM) ~~are going to be~~ replaced - see: <https://www.icann.org/news/announcement-3-2015-03-23-en>
~~be~~ Sidley Comment: To be confirmed

Annex O - ccTLD Appeals Mechanism Background and Supporting Findings

[411](#) ~~442~~ While the CWG-Stewardship's 1 December, 2014 draft proposal contained an appeal mechanism that would have applied to ccTLD delegation and redelegations, some question arose as to the level of support within the ccTLD community on aspects of this proposal (see below). Design Team B was formed to assess whether there might be sufficient consensus within the ccTLD community on such an appeal mechanism. DT-B decided to undertake a survey of the ccTLD community to assess this (see the survey and the results summarized below).

[412](#) ~~443~~ After informing the ccTLD community about the upcoming survey, it was sent to the 'ccTLD World' list, the most comprehensive list of the managers of the 248 ccTLDs on March 23, 2015 with responses accepted to 3 April 2015. Overall, responses on behalf of just 28 managers were received (see below). Such a low level of response was judged to be an insufficient basis to provide a mandate for the inclusion of an appeal mechanism in the CWG-Stewardship's proposal. While acknowledging the limitations of drawing any conclusions from a survey with such a low response rate, it is nevertheless worthwhile pointing out that these limited responses tended to reinforce the overall recommendation.

[413](#) ~~444~~ While 93% of respondents (Q.1) believe there is a need for an appeal mechanism, only 58% (Q.2) believe that it should be developed and introduced now as part of the IANA Stewardship Transition and 73% (Q.3) agreed that it should be developed and introduced after the IANA Stewardship Transition has taken place. Questions designed to probe the level of consensus on the parameters of such an appeal mechanism (see Q.5 – Q.9) elicited no consensus suggesting that it would take considerable time for the ccTLD community to come to a consensus view on the details of an appeal mechanism. Some 71% of respondents (Q.3) indicated that they would not wish to see the design of such a mechanism delay the finalization of the IANA Stewardship Transition.

[414](#) ~~445~~ **Survey of ccTLD Managers on Need for Appeal Mechanism for ccTLD Delegations and Redelegations**

[415](#) ~~446~~ On 1 December 2014, the Cross Community Working Group on NTIA Stewardship Transition issued a draft proposal which contained a proposal for an "independent appeals panel":

[416](#) ~~447~~ "Independent Appeals Panel (IAP) - The CWG-Stewardship recommends that all IANA actions which affect the Root Zone or Root Zone WHOIS database be subject to an independent and binding appeals panel. The Appeals Mechanism should also cover any policy implementation actions that affect the execution of changes to the Root Zone File or Root Zone WHOIS and how relevant policies are applied. This need not be a permanent body, but rather could be handled the same way as commercial disputes are often resolved, through the use of a binding arbitration process using an independent arbitration organization (e.g., ICDR, ICC, AAA) or a standing list of qualified people under rules promulgated by such an organization."

[417](#) ~~418~~ There exists in the ccTLD community an apparent lack of consensus on the question of the introduction of an ‘appeals mechanism’ in respect of ccTLD delegations and redelegations. At ICANN 51 in Los Angeles an overwhelming majority of ccTLD representatives at the 15 October 2014 ccNSO meeting indicated their wish for an ‘appeal mechanism’ as part of the IANA transition, though what was meant by ‘an appeal mechanism’ was not defined. In a survey of all ccTLD managers undertaken in November 2014, 94% of respondents agreed that ‘if the IANA operator does not perform well or abuses its position, the affected ccTLD should have the opportunity to (have access to) an independent and binding appeal process’. The expression of need resulted in the appeal mechanism proposal that the CWG-Stewardship released on 1 December 2014. The proposal indicates that such a mechanism could be used in disputes over the consistency of ccTLD delegation or redelegation decisions.

[418](#) ~~419~~ A survey was undertaken in January of this year of CWG-Stewardship members and participants (this includes representation from many communities, not just ccTLD managers) on many aspects of the CWG-Stewardship’s 1 December proposal. It found that 97% of respondents agreed that, “*ccTLD registry operators should have standing to appeal delegation and re-delegation decisions to which they are a party that they believe are contrary to applicable laws and/or applicable approved ccTLD policy*”. However when questions were posed about potential specific parameters of such an appeal mechanism support for it was reduced. For example, only 54% of respondents agreed that “*ccTLD registry operators should have standing to appeal delegation and redelegation decisions to which they are a party that they believe are contrary to applicable laws and/or applicable approved ccTLD policy, even if the operator is not a party involved in the delegation or redelegation*”. In addition, only 60% of respondents agreed that, “*Governments should have standing to appeal any ccTLD delegation or redelegation decisions that they believe are contrary to applicable laws*”.

[419](#) ~~420~~ This information suggests that while there may be support for an appeal mechanism in general, consensus may be difficult to achieve on some of the important aspects of such a mechanism, including:

- Who would ‘have standing’ to appeal decisions,
- What aspects of decisions might be subject to an appeal,
- Whether the scope should be limited to determining whether the process followed was complete and fair,
- Whether the dispute resolution panel would have the authority to substitute its own view on a delegation, for example, direct that the incumbent manager be retained rather than a proposed new manager, or
- Be limited to requiring that the delegation process be repeated.

[420](#) ~~421~~ As a consequence, this survey is intended to determine whether there might be sufficient consensus within the ccTLD community as a whole to seek a binding appeal mechanism and if so, whether this should be sought as part of the IANA Stewardship Transition process.

[421](#) ~~422~~ **Questions**

[422](#) ~~423~~ Overall Need for an Appeal Mechanism

- 1) Do you as a ccTLD manager believe that there is a need for an appeal mechanism on ccTLD (re)delegation decisions?
- 2) If you answered 'yes' should such a mechanism be
 - a) Developed now and introduced as part of the IANA Stewardship Transition, or
 - b) Developed later, likely by the ccNSO, and introduced after the IANA transition has taken place.
- 3) If the design of this appeal mechanism were preventing the finalization of the IANA Stewardship Transition, would you agree to defer finalizing it so that the IANA process could be completed (this would likely entail the ccNSO proceeding with a separate process).

[423](#) ~~424~~ Form of Appeal Mechanism and Composition of Panel

- 4) The CWG-Stewardship indicated it believes that an appeal need not be a permanent body, but rather could be handled the same way as commercial disputes are often resolved, through the use of a binding arbitration process, an independent arbitration organization, such as the ICC, ICDR or AAA, or a standing list of qualified panelists under established rules promulgated by such an organization. The CWG-Stewardship recommended that a three-person panel be used, with each party to a dispute choosing one of the three panelists, with these two panelists choosing the third panelist. Do you agree with this overall approach to establishing an appeal mechanism? Do you have another idea – please indicate.
- 5) Where there is a panel of individuals, should they be chosen:
 - a) From a list of recognized international experts regardless of country, or
 - b) From individuals the country that the ccTLD represents.
 - c) In another manner (please specify).

[424](#) ~~425~~ Eligibility to Appeal a (re)delegation decision.

- 6) Who do you believe should be permitted to appeal a ccTLD (re)delegation decision?
 - a) The governmental or territorial authority referred to in a. above?
 - b) The incumbent ccTLD manager?

- c) Other individuals, organizations, companies, associations, educational institutions, or others that have a direct, material, substantial, legitimate and demonstrable interest in the operation?
- 7) Should any of the parties referenced above be excluded from the appeals process? If yes, please indicate.

Scope and Authority of the Appellant Organization

- 8) Should there be any limit on the scope of the appeal?
- a) Should the scope be limited to questions about whether procedures have been followed properly?
 - b) Should a panel have the authority to order that an existing delegation process be done again?
 - c) Should it have the authority to suspend a pending delegation?
 - d) Should it have authority to order to revoke an existing delegation?
 - e) Should it have the authority to order that another party be delegated the ccTLD?

425 **426** Survey Results

Question	Data			Percentage	
	Yes	No	Total	Yes	No
1. Do you as a ccTLD manager believe that there is a need for an appeal mechanism on ccTLD (re)delegation decisions?	26	2	28	93	7
2. If you answered 'yes' should such a mechanism be -					
a. Developed now and introduced as part of the IANA Stewardship Transition	14	10	24	58	42
b. Developed later and introduced after the IANA transition has taken place.	11	4	15	73	27
3. If the design of this appeal mechanism were preventing the finalization of the IANA Stewardship Transition, would you agree to defer finalizing it so that the IANA process could be completed (this would likely entail the ccNSO proceeding with a separate process).	20	8	28	71	29
4. The CWG-Stewardship indicated it believes that an appeal mechanism need not include a permanent body. It suggested that disputes could be handled the same way as many commercial disputes, through the use of a binding arbitration process, using an independent arbitration organization, such as the ICC, ICDR or AAA, or a standing list of qualified panelists under established					

Annex P – IANA Operations Cost Analysis

[426](#) ~~427~~ **Preamble:**

[427](#) ~~428~~ The cost estimate below corresponds to a "fully absorbed" IANA Functions operations cost for ICANN. It therefore reflects the benefit of leveraging economies of scale from ICANN's infrastructure and expertise of other functions. The fully absorbed IANA Functions operations cost within another entity would be different, as would be a "standalone" cost estimate as the cost of a fully operational and mature IT infrastructure would be higher, economies of scale would not exist, and additional costs of operating a separate organization would be created (relative for example to governance, communication, reporting...).

[428](#) ~~429~~ The below analysis includes a placeholder estimate for the annual depreciation of assets, but does not include any capital costs, or representation of the value of the capital assets that are currently supporting the IANA Functions as operated by ICANN.

9) US Dollars in millions	Using the FY15 Budget basis	Description
11) [A] 12) Direct Costs (IANA department)	\$2.4	These costs cover direct and dedicated personnel (12 employees) and associated costs assigned to delivering the IANA functions: registration and maintenance of protocol parameter registries; allocation of Internet numbers and the maintenance of the Internet number registries; validation and processing of root zone change requests as well as maintenance of the root zone registry; management of the .int and .arpa domains; and holder of the root zone key signing key for the security of the DNS root zone.
13) [B] 14) Direct Costs (Shared resources)	\$1.9	<p>Within ICANN departments other than the IANA department perform or participate in processes directly related to the delivery of the IANA functions.</p> <p>The costs of the activities carried out by other departments to perform the IANA Functions were evaluated by each department's budget owners by identifying the direct external costs (professional services, infrastructure,...), and estimating the time spent by personnel from the department on the identified activities valued at the annual cost of each employee (base+benefits).</p> <p>See in Appendix below for the full description of the activities that are carried out by those departments, which are summarized below:</p>

Sidley Comment: To be confirmed.

<p>16) [C]</p> <p>17) Support functions allocation</p>	<p>\$2.0</p>	<p>18) Support functions which organize the ability for operational activities to be carried out.</p> <p>The total costs of these functions [D], after excluding the shared from those functions included in [B], were divided by the total costs of operational functions [E], to determine a percentage of support functions (([D]+[E]= total costs of ICANN Operations).</p> <p>19) This percentage was then applied to the total costs of IANA (both IANA department direct costs and shared resources direct costs as defined above), to determine a cost of support function allocated to IANA. This cost [C] is additive to [A] and [B].</p> <p>20) List of functions included:</p> <ul style="list-style-type: none"> - Executive - Communications - Operations (HR, Finance, Procurement, ERM, PMO/BI, HR development, Operations Executive, Administrative / Real Estate) - IT (cyber-security, admin, infrastructure, PMO, Staff facing solutions)
<p>Total Functional costs of IANA Functions operations</p>	<p>\$6.3</p>	

429 430 [B] Direct costs (shared resources), associated with operations of the IANA Functions and dependencies on other ICANN departments:

21) Request processing

- a) RT trouble ticketing system supported and provided by IT
- b) RZMS software development, support and maintenance by IT
- c) Email system provided and supported by IT
- d) Online connectivity provided and supported by IT
- e) OFAC checks supported by Legal
- f) Board resolutions reviewed by Legal/sometimes drafted by Legal.
Delegation/Redelegation Reports reviewed by Legal on an as-needed basis
- g) All hardware and infrastructure provided and supported by IT
- h) Support from GSE to gather information for ccTLD requests

22) Root Key Signing

- a) Roles in ceremonies by IT, Registry Technical Services, SSR, Strategy, GSE, and program department
- b) Suite of Security documents reviewed and adopted by SSR and IT departments
- c) Facility rent and connectivity to the Key Management Facility (KMF) provided by IT
- d) DNSSEC SysTrust Audit requires work samples from IT, Legal, and SSR
- e) Third Party Contract/RFP prepared by Procurement and reviewed by Legal

23) IANA Website

- a) Hardware provided, administered, and supported by IT
- b) Contract compliance requirements reviewed by Legal

~~Web-admin~~[Web-admin](#) support to post reports and documents on ICANN website

24) Security to protect data and systems

- a) Security plan reviewed and accepted by IT and SSR
- b) Reviewed by Legal prior to submission to NTIA

25) Continuity and Contingency of service

- a) Dependent on IT and Finance
- b) Plan reviewed by IT, SSR, HR, Legal, and Finance prior adoption

26) Conflict of Interest compliance

- a) Annual report prepared by HR and Legal

27) Monthly reporting of performance

- a) Posted on hardware maintained and administered by IT
- b) Contract compliance requirements reviewed by Legal

28) Customer Service Survey

- a) RFP prepared by Procurement
- b) Final report from 3rd party reviewed by Legal prior to posting

Annex Q – IANA Budget

[430](#) ~~431~~ 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. ~~IV~~[IV](#)).

[431](#) ~~432~~ 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:

- 1) Identification of any existing IANA naming services related cost elements that may not be needed after the IANA Stewardship Transition, if any.
- 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.
- 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 costs 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 to the project level and below as needed. PTI should also have a

Annex R: Evaluation Method for Implications

[432](#) ~~433~~ 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 resulting from 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.

[433](#) ~~434~~ 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 = 43 12/15 = 87 80%,	workable
IFR	score = 9/15 = 60%	workable
CSC	score = 11/15 = 73%	workable
Customer complaint and	score = 11/15 = 73%	workable

escalation procedures		
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

[124](#) ~~435~~ 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~~12/15 = ~~87~~80%, 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.
- Impact on the IFO for working with the new method:
 - 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.
- 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 – None compared to the current NTIA IANA Functions Contract.
- Total score = ~~13~~12/15 = ~~87~~80%, very workable.

● **IFR (total score = 9/15 = 60%, workable)**

- 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.
- Complexity of the new method:
 - 0 – Given this requires the creation of a non-standing committee for each review and detailed processes around these reviews, this will be complex.
- Implementation requirements for the new method:
 - 1 – Adding the IFR and its powers to the ICANN Bylaws will be a significant undertaking.
- Impact on the IFO for working with the new method:
 - 3 – Given the last NTIA Process, which led to the IANA Functions Contract this should not represent any additional impact to the IFO.
- Impact on the IFO customers resulting from using the new method:
 - 3 – This should be transparent for the IANA naming customers.

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

What follows below is an initial draft proposed 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 governs. The term sheet will be subject of negotiation between PTI and ICANN (with PTI having independent legal advice).

PROPOSED KEY TERMS FOR ICANN-PTI CONTRACT

- All terms are subject to further review and discussion
- Terms in [square brackets] are placeholders only
- Terms connected by “or” are alternatives
- TBD means To Be Determined

PROVISION	SUMMARY OF KEY TERMS	Compare to Current ICANN-NTIA Contract	Relevant section of 2nd Draft Final Proposal (April/June 2015)
PARTIES	<ul style="list-style-type: none"> • The Parties to the ICANN-PTI Contract are: <ul style="list-style-type: none"> ○ ICANN ○ PTI (IANA Functions Operator for naming functions) 		III.A
DURATION		F	
Initial Term	<ul style="list-style-type: none"> • The period of performance of the ICANN-PTI Contract shall commence on [October 1, 2015] (the “Commencement Date”) and shall end on the [fifth (5th)] anniversary of the Commencement Date. 	F.1, I.70	
Renewal Terms	<ul style="list-style-type: none"> • The ICANN-PTI Contract will provide for automatic renewal, unless ICANN elects 		

IANA Function Review	<ul style="list-style-type: none"> • 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. • 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 IFR may also be initiated by the ccNsO and GNSO Councils, following the exhaustion of the identified escalation mechanisms. 		III.A.i.d./Annex F
Performance Monitoring	<ul style="list-style-type: none"> • 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). • PTI shall act in good-faith to resolve all 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 as set forth in "Escalation Mechanisms" below. 		III.A.ii./Annex G
ESCALATION MECHANISMS (IANA Customer Service Complaint Resolution Process)	<ul style="list-style-type: none"> • Phase 1: If anyone experiences an issue with PTI's delivery of IANA naming functions, the complainant can send an email to PTI, which 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 		III.A.ii.e./Annex I

	<p>complainant, then complainants that are direct customers only may request mediation. ICANN and CSC will be notified of the issue and CSC will conduct a review 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.</p> <ul style="list-style-type: none"> • The complainant may also initiate an Independent Review Process if the issue is not addressed in the steps above. <p>Further details of the escalation mechanism may be found in [Final Report].</p>		
<p>ESCALATION MECHANISMS (IANA Problem Resolution Process)</p>	<p>The CSC may seek resolution with PTI performance issues in accordance with the Remedial Action Plan which includes:</p> <ul style="list-style-type: none"> • CSC reports persistent issues to PTI and 		<p>III.A.ii.6/ Annex J</p>

	<p>requests remedial action in [TBD] days.</p> <ul style="list-style-type: none"> • 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<u>finalized</u> post-transition. 		
ESCALATION MECHANISMS (Root Zone Emergency Process)	[Retain provisions from current ICANN-NTIA Contract.]		III.A.ii. ejj . / Annex K
ESCALATION MECHANISMS (Separation Review)	<ul style="list-style-type: none"> • 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. d / Annex L
CONTINUITY OF OPERATIONS	<ul style="list-style-type: none"> • 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. 	C.7	III.A.ii. e / Annex M

	<ul style="list-style-type: none"> ICANN, in conjunction with CSC as necessary, shall review the transition plan every five years. 		
COST/PRICE	<ul style="list-style-type: none"> Fees, if any, will be based on direct costs and resources incurred by PTI. After one year of charging fees, PTI must collaborate with all Interested and Affected Parties to develop the fee structure and a method to track costs for each IANA function. PTI must submit copies of the 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. 	B.2	
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]	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	C.2.4	

	promptly and efficiently.		
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.	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 naming function.	C.2.6	Annex C
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.	C.2.8	Annex C/ Annex H
Internet Assigned Numbers Authority (IANA) Naming Functions	IANA naming functions include: the administration of certain responsibilities associated with the Internet DNS root zone management; 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	
Perform Administrative Functions Associated With Root Zone	<ul style="list-style-type: none"> • PTI will facilitate and coordinate the root zone of the DNS and maintain 24/7 operational coverage. • Process flow for root zone management 	C.2.9.2	III.A.iii.a./ Annex N

Management	<p>involves two roles that are performed by two different entities:</p> <ul style="list-style-type: none"> ○ PTI as the IANA Functions Operator ○ VeriSign (or its successor as designated by [ICANN]) as the Root Zone Maintainer (RZM). <ul style="list-style-type: none"> • 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 IFRfor a Special IER. 		
Root Zone File Change Request Management	<ul style="list-style-type: none"> • 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 	C.2.9.2.a	III.A.iii.a

	as expeditiously as possible.		
Root Zone "WHOIS" Change Request and Database Management	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ TLD name; ○ the IP address of the primary nameserver and secondary nameserver for the TLD; ○ the corresponding names of such nameservers; ○ the creation date of the TLD; ○ name, address, email, phone and fax numbers of the TLD registry operator; ○ name, address, email, phone and fax numbers of the technical contact for the TLD registry operator; ○ name, postal address, email address, phone and fax numbers of the administrative contact for the TLD registry operator; ○ reports; ○ date record last updated; ○ any other information relevant to the TLD requested by the TLD registry operator. • The RZM shall receive and process root zone "WHOIS" change requests for TLDs from PTI. No authorization for TLD change requests shall be required. 	C.2.9.2.b	III.A.iii.a/ Annex N
Delegation and Redelegation of a Country Code Top Level -Domain (ccTLD)	<ul style="list-style-type: none"> • PTI shall apply existing policy frameworks in processing requests related to the delegation and redelegation of a ccTLD, such as RFC 1591, the GAC Principles (2005) and any further clarification of these policies by Interested and Affected Parties. • If a policy framework does not exist to 	C.2.9.2.c	III.A.iv.a/ Annex O

	<p>cover a specific instance, PTI will consult with the Interested and Affected Parties; relevant public authorities; and governments on any recommendation that is not within or consistent with an existing policy framework.</p> <ul style="list-style-type: none"> • PTI shall also take into account the relevant national frameworks and applicable laws of the jurisdiction that the TLD registry serves. • PTI shall submit its recommendations to the [[CSC] or [RZM] or [Independent Evaluator]] via a Delegation and Redelegation Report. 		
Delegation and Redelegation of a Generic Top Level Domain (gTLD)	<ul style="list-style-type: none"> • PTI shall verify that all requests related to the delegation and redelegation of gTLDs are consistent with the procedures developed by ICANN. • PTI shall submit its request to the RZM via a Delegation and Redelegation Report, with a copy to ICANN and the registry operator(s) involved. 	C.2.9.2.d	
Root Zone Automation	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ a secure (encrypted) system for customer communications; ○ an automated provisioning protocol allowing customers to 		

	<p>shall be submitted to the PTI Board at least 15 working days prior to making any permanent substitutions. The request should contain a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any additional information requested by the PTI Board. The PTI Board will notify PTI within 10 working days after receipt of all required information of the decision on substitutions.</p>		
Budget Meetings; Funding	<p>CSC ICANN will meet [annually] with the President of PTI to review and approve the budget for the IANA Naming Services for the next [three] years. ICANN shall fund PTI at agreed budget levels.</p>		
TRANSPARENCY OF DECISION-MAKING	<p>To enhance consistency, predictability and integrity in decision-making of IANA related decisions, PTI shall:</p> <ul style="list-style-type: none"> • Continue the current practice of public reporting on naming related decisions. • Make public all recommendations by PTI on naming related decisions. • Agree not to redact any PTI Board minutes related to naming decisions. • Have the President and PTI Board Chair sign an annual attestation that it has complied with the above provisions. • ICANN shall provide PTI a budget sufficient to allow it to hire independent legal counsel to provide advice on the interpretation of existing naming related 		

[Sidley Comment: CSC has authority to set the PTI budget correct?](#)