

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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Annex numbering will be fixed in final version.

Needs a title

- **NTIA:** National Telecommunications and Information Administration (U.S. Department of Commerce)
- **PDP:** Policy Development Process
- **PTI:** Post-Transition IANA
- **RFC:** Request for Comments
- **RFP:** Request for Proposals
- **RIR:** Regional Internet Registry
- **RrSG:** [Registrar Stakeholder Group](#)
- **RSSAC:** Root Server System Advisory Committee
- **RySG:** [Registry Stakeholder Group](#)
- **SCWG:** [Separation Cross-Community Working Group](#)
- **SLA/SLEs:** Service Level Agreement/Service Level Expectations
- **SO:** Supporting Organization
- **SOW:** Statement of Work
- **SSAC:** Security and Stability Advisory Committee
- **TLD:** Top-Level Domain

Contract: C.2.9.2.b).

- 3) Delegation and Redelegation of a Country Code Top-Level Domain (ccTLD) (NTIA IANA Functions Contract: C.2.9.2.c).
- 4) Delegation and Redelegation of a Generic Top-Level Domain (gTLD) (NTIA IANA Functions Contract: C.2.9.2.d).
- 5) Redelegation and Operation of the .INT Top-Level Domain (NTIA IANA Functions Contract: C.2.9.4).
- 6) Root Domain Name System Security Extensions (DNSSEC) Key Management (NTIA IANA Functions Contract: C.2.9.2.f).
- 7) Root Zone Automation (NTIA IANA Functions Contract: C.2.9.2.e).
- 8) Customer Service Complaint Resolution Process (CSCR) (NTIA IANA Functions Contract: C.2.9.2.g).

Services provided by ICANN's IANA department that are not part of the contractually defined IANA Functions, but which are relevant to the Internet Naming Community are:

- 1) Management of the Repository of IDN Practices (IANA service or activity beyond the scope of the IANA Functions Contract).
- 2) ~~1)~~ Retirement of the Delegation of TLDs (IANA service or activity beyond the scope of the IANA functions contract).
- 3) ~~2)~~ For further details concerning each of these IANA activities, please see Annex A.

I.B. The customer of the service or activity

The primary customers of these IANA activities are TLD registry managers, .INT registrants, Domain Name System (DNS) validating resolver operators. For further details on the customer(s) for each activity, please see Annex A.

I.C. Registries involved in providing the service or activity

TLD registries (including ccTLD and gTLD) are involved in providing the service. For further details on which TLD registry (ccTLD or gTLD) is involved in each activity, please see Annex A.

I.D. Overlap or interdependencies between your IANA requirements and the functions required by other customer communities

The IETF, through its responsibilities for developing the underlying DNS protocol and its extensions, could designate parts of the domain name space for particular protocol-related purposes that may overlap with usages assigned through ICANN policies. It may also

- 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);
- 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 – not ICANN staff or Board (oversight and accountability);

102 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 arrangements and that any new arrangements should maintain ICANN as the IFO at the time of transition, and implement mechanisms which could ensure similarly effective oversight and accountability while minimizing complexity and costs and maintaining the security, stability and resiliency of the DNS and Internet. The public consultation on the CWG-Stewardship's 2nd draft proposal 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 (see public comment review tool [\[include link\]](#)).

103 In order to meet community expectations for the stewardship of the naming related IANA Functions, 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 transition proposal for the names community would require the following elements:

- A contract similar to the current NTIA IANA Functions Contract to perform the IANA Functions post-transition;
- The ability for the multistakeholder community to ensure that ICANN acts according to its requests with respect to IANA 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);
- The ability to ensure that the IANA Functions are adequately funded by ICANN;
- The ability for the multistakeholder community to require, if necessary and after substantial opportunities for remediation, the selection of a new operator for the IANA Functions.

104 The CWG-Stewardship has also agreed that approval of all changes to the content of the Root Zone would no longer need authorization and external communications and reporting

would no longer need external approval post-transition. This final proposal attempts to meet all the above requirements by:

- Creating PTI, a separate legal entity that would be an affiliate of ICANN. The creation of PTI ensures both functional and legal separation within the ICANN organization.
- Establishing a contract between PTI and ICANN that would give PTI the rights and obligations as the IFO.
- Establishing a Customer Standing Committee (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.³
- Establishing a series of issue resolution mechanisms to ensure that problems are resolved effectively.
- Ensuring ICANN accepts input from multistakeholder community with respect to the annual IANA operations budget.
- Establishing a framework to approve changes to the Root Zone environment (with NTIA no longer providing oversight).
- Establishing a multistakeholder IANA Function Review (IFR) to conduct periodic and special reviews of PTI.⁴ The results of the IFR are not prescribed or restricted and could include recommendations to ~~the ICANN Board to terminate or not renew the IANA Functions Contract with PTI~~, [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.](#)

105 It is important to note that this proposal is significantly dependent on the results of the Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) for ICANN level accountability requirements. The co-chairs of the CWG-Stewardship and the CCWG-Accountability are effectively coordinating their efforts and the CWG-Stewardship is confident that the CCWG-Accountability recommendations will meet the requirements the CWG-Stewardship has communicated to them. As such any elements in this proposal that are dependent on the results of the CCWG-Accountability work will be identified as such.

106 Post-Transition IANA (PTI)

³ The CSC would not need to be a legal entity. The CSC could be provided for under the ICANN governance documents and could also be provided for in the ICANN-PTI IANA Functions Contract.

⁴ The IANA Function Review (IFR) would be convened periodically (first review two years after the transition is complete, and thereafter ~~at least~~ every five years ~~at most~~). It could also be convened for a special review under certain circumstances further described in the escalation mechanisms (~~section III.A.ii.c.)~~ [below](#). The review could be provided for under the ICANN governance documents and could also be provided for in the ICANN-PTI IANA Functions Contract.

107 In order to ~~legally~~ “ring fence” the IANA naming functions both functionally and legally from the ICANN entity, the CWG-Stewardship recommends the creation of a Post-Transition IANA (PTI). PTI would be a new legal entity in the form of a non-profit corporation. The existing IANA (functions) department, administrative staff and related resources, processes, data and know-how would be legally transferred to PTI.⁵

Per CWG discussions on 28 en 29 June.

Per comment of Andrew Sullivan

108 At the outset, PTI would have as its sole member ICANN. PTI would be an “affiliate” of ICANN ~~if PTI is a California public benefit corporation without owners~~. ICANN would provide funding and administrative resources to PTI through an agreed upon budget.

109 A contract would be entered between PTI and ICANN, which would give PTI the rights and obligations as the IFO. The contract would provide for automatic renewal, but subject to potential non-renewal by ICANN if recommended by the IANA Function Review (see further details below).

110 PTI Board

111 As a separate legal entity, PTI would have a board of directors ~~or managers~~. The PTI Board ~~will~~ would be an ICANN-designated board and have the minimum statutorily required responsibilities and powers. (The construct of the PTI Board would be a range of 3-5 people ~~with to be appointed by ICANN as the sole member of PTI. The PTI Board could be comprised of three directors who are employed by ICANN or PTI~~ (for example, the ICANN Executive responsible for PTI, the ICANN CTO, and the IANA Managing Director), and two additional independent directors: ~~6 (who may or may not be members of the ICANN Board)~~.⁶ The two additional directors could be nominated using an appropriately rigorous nomination mechanism (e.g., by the Nominating Committee of the ICANN Board). The CWG-Stewardship expects that this would avoid the need to replicate the complexity of the multistakeholder ICANN Board at the PTI level, and maintain primary accountability at the ICANN level. Any issues that arise concerning the PTI and the PTI Board would be addressed through the overarching ICANN accountability mechanisms.⁷

112 The function of the PTI Board is to ~~operate the affiliate to meet, at a minimum, the statutorily requirements for the affiliate. In addition, the PTI Board will have to ensure that PTI as the affiliate performs to meet the conditions of the contract which will encapsulate all the SLEs and other requirements PTI is expected to meet.~~ provide oversight of the operations of PTI to ensure that PTI meets, at a minimum, applicable statutory requirements under California public benefit corporation laws and, importantly, fulfills its responsibilities under the IANA functions contract with ICANN.

Per CWG discussions on 28 and 29 June

⁵ In the case of any existing ICANN contracts, MoUs or other arrangements that relate to the IANA functions, they could be assigned to and assumed by PTI, replaced by new arrangements at the PTI level or remain at ICANN with a subcontract to PTI.

⁶ CWG-Stewardship requires that the independent PTI Board members be selected through an appropriately rigorous selection method for which the NomCom is qualified.

⁶ CWG-Stewardship requires that the independent PTI Board members be selected through an appropriately rigorous selection method for which the NomCom is qualified.

⁷ CCWG-Accountability Dependency – see <https://community.icann.org/x/TSYnAw>

113 The CWG-Stewardship recommends that the PTI Board skill set is evaluated as a whole not on a per member basis whilst also ensuring that each individual member is suitable to serve as a director of PTI in their own right. Accordingly, the complete skill set should include a balanced skill set covering an appropriate and complete composite of executive management, operational, technical, financial and corporate governance experience.)

Text suggested by Jonathan Robinson

114 IANA Statement of Work (carryover of provisions noting updates)

115 The issues currently addressed in the NTIA ICANN Functions Contract and related documents would be addressed in the ICANN-PTI ~~contract, with reference to the need for regular review of the IANA Statement of Work in ICANN bylaws and governance documents~~ 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 post-IANA Stewardship Transition as well as other recommendations outlined in Section III. The ICANN bylaws would reference the need for periodic and special review of the IANA Statement of Work through the IFR. An overview of provisions expected to be carried over into the ICANN-PTI IANA functions contract can be found in Annex E as well as Annex S which includes a draft term sheet.

In response to comment #170 – auDA

116 IANA Function Review

117 The CWG-Stewardship recommends that the SOW review be done as part of the ~~IANA Function Review (IFR)~~. The IFR would not only take into account performance against the SOW, but would be obliged to take into account multiple input sources into account including community comments, CSC evaluations, reports submitted by PTI, and recommendations for technical or process improvements. The outcomes of reports submitted to the CSC, reviews and comments received on these reports during the relevant time period will be included as input to the IFR. However, the review mandate is strictly limited to evaluation against the SOW and does not include any policy or contracting issues that are not part of the ~~ICANN-PTI IANA functions operation~~ contract. In particular it does not include issues related to policy development and adoption processes, or evaluation or contract enforcement measures between contracted TLDs and ICANN.)

Text suggested by Martin Boyle

Sidley Comment: Consider deleting this paragraph 119. We had understood DT-N recommending deleting this trigger (see below) and the paragraph could be repetitive of paragraphs 122-123 below.

“Proposal contemplates that a Special Review may also be initiated by TLDs on concerns raised by TLDs directly with the ccNSO or the GNSO. (Section III.A.i.d.)

DT-N Recommendation: This trigger for the Special Review should be struck and the Special Review should only be triggered after the CSC first undertakes remedial action procedures and then refers the matter to the

ccNSO/GNSO for approval. Individual TLD operators are empowered to raise these issues with the CSC and that is the correct pipeline through which these problems should come up.”

118 The first IFR is recommended to take place no more than 2 years after the transition is completed. After the initial review, the periodic IFR should occur every 5 years. The ~~IANA Function Review IFR~~ should be outlined in the ICANN Bylaws and included as a “fundamental bylaw” as part of the work of the CCWG-Accountability and would operate in a manner analogous to an Affirmation of Commitments (AOC) review. These “fundamental bylaws” would be ICANN bylaws that would require the prior approval of the multistakeholder community to amend. The approval of an ICANN fundamental bylaw could also require a higher threshold than typical bylaw amendments, for example, a supermajority. The members of the IANA Function Review Team (IFRT) would be selected by the Supporting Organizations and Advisory Committees and would include several liaisons from other communities. While the IFRT is intended to be a smaller group, it will be open to participants in much the same way as the CWG-Stewardship.

119 While the IFR will normally be scheduled based on a regular 5-year cycle with other ICANN reviews, a Special IANA Function Review (Special IFR) may also be initiated following the CSC raising concerns with the GNSO and/or the ccNSO or by concerns raised by TLDs in the event of a Special IFR being proposed, the

ccNSO and GNSO should consult with both members and non-member TLDs, in the light of the consultations, the Councils can decide by a supermajority to call for a special review.

120 For further details, please see Annex F.

Per version circulated by Stephanie on 29/5 – compare against ‘final’ DT N version

121 (Special IANA Function Review)

122 As described in Annex F, ~~an~~ ICANN fundamental bylaw ~~will~~would be created to define an IANA Function Review (IFR). The IFRs ~~will~~would occur periodically or, in special circumstances, could be initiated outside of its normal periodic schedule. A ~~non-periodic or “Special” IANA Function Review (Special IFR)~~ ~~can~~ could only be triggered when the following escalation mechanisms and methods have been exhausted:

- CSC Remedial Action Procedures are followed and fail to correct the [an identified](#) deficiency (See Annex G);
- The IANA Problem Resolution Process is followed and fails to correct the [identified](#) deficiency (See Annex J).

123 The Special IFR would be triggered by a supermajority vote of each of the ccNSO and GNSO Councils according to their normal procedures for determining supermajority. The Special IFR would follow the same composition and process structure as the periodic IANA Function Review. The scope of the Special IFR would be narrower than a periodic IFR, focused primarily on the identified deficiency or problem, its implications for overall IANA Performance, and how that issue is best resolved. ~~(As for the periodic review, the Special IFR is limited to the operation of the IANA functions operation and does not include policy development and adoption process or the relationship between ICANN and its contracted TLDs.)~~

Text suggested by Martin Boyle

124 There is no prescribed outcome for an IFR, whether ~~Special~~special or ~~Periodic~~periodic. Recommendations could span from “no action required,” to the introduction of operational remediation requirements, to the initiation of a Separation Process, described ~~below~~in Annex L. In the case of a Special IFR, it is expected that the recommendations of the IFRT will describe how the proposed remediations are expected to address the identified deficiency.

125 ~~An~~As described in Annex L, ~~an~~ IFR may determine that ~~Separation~~separation process is necessary, which ~~process~~ could include an RFP⁸ for the performance of the IANA Naming Functions ~~by a third party in lieu of PTI~~ or another separation process ~~(which would not necessarily require an RFP)~~, such as a divestiture of PTI ~~(each, a Separation Process)~~. If the IFR determines that a Separation Process is necessary, it will recommend the creation of the Separation Cross-Community Working Group (SCWG). This recommendation would need to be approved by a supermajority of each of the GNSO and the ccNSO Councils, according to their normal procedures for determining supermajority, and would need to be approved by the ICANN Board after a public comment period, ~~as well as the ICANN membership (assuming ICANN becomes a membership organization)~~. A determination by the ICANN Board to not approve ~~an~~ SCWG that had been supported by a supermajority of the ccNSO and GNSO

⁸ 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, and the ICANN Board.

Councils would need to follow the same supermajority thresholds and consultation procedures as ICANN Board rejection [\(by a supermajority vote\)](#) of a PDP recommendation that is supported by a GNSO supermajority.

Action: Avri to prove clarifying text to this paragraph so that RFP isn't only option outlined

126 III.A.ii. Proposed Oversight & Accountability Replacement

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

DT-C to provide an updated version of their Charter and annex documents following review of the Public Comment

128 The CWG-Stewardship recommends the creation of a Customer Standing Committee (CSC) to monitor the performance of PTI with the following mission:

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

The mission of the CSC is to ensure continued satisfactory performance of the IANA function for the direct customers of the naming services. The primary customers of the naming services are top-level domain registry operators ~~Root~~, [but also include root server operators](#) ~~are also direct customers and Internet users are indirect customers and other non-root zone functions.~~

[Sidley Comment: Conforms to charter in Annex G.](#)

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.

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

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

To be updated once DT A finalises its work.

130 **Service Level Expectations**

131 The Service Level Expectation (SLE) Design Team (DT) is comprised of 3 gTLD Registry representatives and 3 ccTLD Representatives. The DT has been in contact with ICANN, including IANA staff.

132 The DT was asked to review the current IANA functions operations, to record the status-quo in terms of current performance to highlight where IANA is performing well and further to highlight any gaps and issues that it considered in need of further clarification prior to transition from NTIA's oversight.

associated with the provision of IANA naming services.¹¹

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 (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 Problem Resolution Process can be found (in Annex J-1).

Consider whether to renumber all annexes or proceed in this way for annexes that are to be added.

142 Separation Process

143 The CWG-Stewardship recommends that ~~an~~ an ICANN fundamental bylaw be created to define a Separation Process that can be triggered by ~~an~~ a Special IFR if needed. ~~This~~ The Special IFR would require supermajority approval of each of the ccNSO and GNSO Councils and would only occur if other escalation mechanisms and methods have been exhausted. This process must include a cross community of the ICANN Supporting Organizations and Advisory Committees which If the Special IFR recommends a Separation Process, a Separation Cross Community Working Group (SCWG) would be formed to review the issues and make recommendations. The recommendations would need to be approved by a supermajority vote of each of the ccNSO and GNSO Councils, the ICANN Board and the ICANN membership (assuming ICANN becomes a membership organization). Any new IFO would be subject to all escalations and appeals mechanisms the approval of the ICANN Board and the ICANN membership (assuming ICANN becomes a membership organization).

144 There would be no prescribed action for the Separation Process. It would be empowered to make a recommendation ranging from “no action required” to the initiation of an RFP and the recommendation for a new IFO ~~or the divestiture of PTI~~. In the case of a recommendation for a new IFO, ICANN is expected to cover all costs related to the costs of transition and ongoing operation costs related to the possible selection of a new ~~operator~~ IFO. Moreover, in bearing such costs, it is to be required of ICANN that it does not raise costs for operators (and indirectly for registrants) in order to do so).

As discussed during CWG meetings on 28 and 29 June in response to comments.

Text suggested by Jonathan Robinson

145 For further details please see Annex L.

146 Framework for Transition to Successor IANA Functions Operator (Continuity of Operations)

¹¹ 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.

Maintainer. The CWG-Stewardship is not recommending any change in the functions performed by these two roles at this time. The CWG-Stewardship is recommending that should there be proposals to make changes in the roles associated with root zone modification, that such proposals should be subject to wide community consultation.

5. 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.

152 III.A.iv. Other

153 ccTLD Delegation Appeals

154 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, please see Annex O.

155 IANA Budget¹⁴

156 In order for the multistakeholder community to steward the IANA Functions, the CWG-Stewardship recommends that:¹⁵

- 1) The IFO's comprehensive costs should be transparent for any future state of the IANA Function.
- 2) Future Fiscal Year (FY) ICANN Operating Plans & Budgets, and if possible even the FY16 ICANN Operating Plan & Budget, include at a minimum itemization of all IANA operations costs in the FY ICANN Operating Plan & Budget to the project level and below as needed.

157 Further details on the expected detail, based on the information provided in relation to the FY15 budget, can be found in Annex [HP](#). Furthermore, the CWG-Stewardship has identified a number of items for future work that can be found in Annex [PQ](#).

158 (In relation to PTI, the CWG-Stewardship recommends that PTI should develop and annually update a 4-year strategic plan, which should outline strategic priorities, while PTI should also have a yearly budget that is reviewed by the ICANN community. A fully approved budget should be developed on an annual basis. PTI should submit a budget¹⁶ 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 PTI's actual financial performance should be measured monthly against the~~ PTI budget, ~~and~~ should be ~~subject to an~~

¹⁴ CCWG-Accountability Dependency – see [\[include link to latest communication\]](#)

¹⁵ The names registries have long requested budget transparency and detail. See for example the work of the ccNSO SOP.

¹⁶ In developing its budget, the CWG-Stewardship recommends that PTI review best practices of other similar organizations.

annual reported to the PTI Board. An independent financial audit of PTI's financial statements may also be considered.

Per DT O's recommendation in response to comments #125 - AFNIC and 317 - InternetNZ

159 **Regulatory and Legal Obligations**

160 The process for handling the requests for statutory waivers or licenses relating to its legal obligations in its place of business (such as, from the U.S. Department of the Treasury's Office of Foreign Assets control) is a generally-applicable legal obligation regardless of who is serving as the IANA Functions Operator. ICANN already has a process in place for seeking any necessary licenses, and will continue to work with contacts at relevant authorities to identify ways to streamline those requests. A statutory waiver may be possible if a new statute authorizes the transition. Such a statutory waiver could provide that the President may not use trade sanctions with respect to the IANA Functions Operator. For licenses or waivers that relate to the IANA Function, ICANN commits that any licenses or waivers it seeks would also be sought for the IANA Functions Operator and for the Root Zone Maintainer as well, so that a single request for any applicable entity is required.

161 **III.B. Implications for the interface between the IANA Functions and existing policy arrangements**

162 For the IANA naming services, the proposal seeks to retain the functional separation between the policy development processes and the IANA Functions.)

CWG to review this section and update per comment #332

V. Transition Implications – under development

163 This section should describe what your community views as the implications of the changes it proposed in Section III. These implications may include some or all of the following, or other implications specific to your community:

- *Description of operational requirements to achieve continuity of service and possible new service integration throughout the transition.*
- *Risks to operational continuity and how they will be addressed.*
- *Description of any legal framework requirements in the absence of the NTIA contract.*
- *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.*
- *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.*

164 **IV.A. Operational requirements to achieve continuity of service and possible new service integration throughout the transition**

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

- *Description of operational requirements to achieve continuity of service and possible new service integration throughout the transition.*
- *Risks to operational continuity and how they will be addressed.*

166 Continuity of service issues associated with the transition should be minimized given that the CWG Stewardship transition proposal recommends the continuation of using ICANN as the IFO.

167 Although the CWG-Stewardship proposes a structural change with the legal separation of the IFO from ICANN ([as with the IANA functions to be transferred to PTI](#), an ICANN affiliate), for practical and administrative reasons it is expected that this change would have little or no impact on the IFO customer operations throughout the transition given the IFO systems, processes, procedures and personnel for these activities would remain exactly the same.

168 For the naming community the services it requires from the IFO are:

- Operating the public interface to the top level Whois database.
- Operating the .int TLD.
- Implementing, or participating in, the implementation of changes to the Root Zone environment.
- Validation processes for adding, modifying or removing TLDs to the Root Zone and the associated Whois database (and associated systems for supporting this).

replacing NTIA oversight. The CSC is envisioned as multistakeholder, 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 multistakeholder stewardship of the IANA functions.

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

175 *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.*

176 To provide IANA services to the naming community, the CWG-Stewardship recommends that a new separate legal entity, a Post-Transition IANA (PTI), be formed as an affiliate of ICANN. In this structure, the existing (IANA ~~naming~~ functions), administrative staff and related resources, processes, data and know-how would be legally transferred into PTI. There would 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.¹⁸ 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.

[Sidley Comment: Conforms to change made in paragraph 96.](#)

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

Section on PTI may be elaborated through Sidley memos from 13 May

178 The establishment of the CSC and the IFR (periodic and special) require ICANN Bylaw changes. Since these are not new legal entities, they can be created within the ICANN community structure, similar to working groups, and formalized through the related enhancements proposed in the CCWG-Accountability Work Stream 1 Proposal.

179 The escalation mechanisms and customer service complaint procedures are established in Annex [include ref]. 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.

180 In the proposed structure, the CWG-Stewardship has focused exclusively on the needs of the naming community. However, the CWG-Stewardship acknowledges that there are elements of

¹⁸ The details of the terms proposed for the ICANN-PTI contract are available in Annex S

the proposed 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 the IFO.

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

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.

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 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 IV. B.

The CWG-Stewardship has evaluated the workability of these elements and determined that all are workable. The summary of the evaluations is provided below. For details of the methodology, please refer to Annex R.

Element Being analysed	Score	Evaluation
PTI as an affiliate of ICANN	score = 8/15 = 53%	workable
Contract between ICANN and PTI	score = 13/15 = 87%	workable
IFR	score = 8/15 = 53%	workable
CSC	score = 10/15 = 67%	workable
Customer complaint and escalation procedures	score = 11/15 = 73%	workable
Approving changes to the Root Zone environment	score = 8/15 = 53%	workable
Replacing NTIA as the Root Zone Management Process administrator	13/15 = 87%	workable

In addition to the CWG-Stewardship evaluation, the CCWG-Accountability Work Stream 1 Proposal further addresses "Stress Tests," testing the proposed structure against various scenarios. Since the CCWG-Accountability document is currently in draft form, this section

187 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.

188 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. The CWG-Stewardship has attempted an initial list of elements for implementation as follows:

- **Service Levels** – throughout the work of the CWG-Stewardship, the group worked closely with ICANN's IANA department to develop SLEs that were feasible and agreeable to both parties. These SLEs are ready for implementation.
- **IANA Budget** – the CWG-Stewardship worked closely with ICANN Finance in developing recommendations for transparent budget processes and itemizations regarding IANA operations. These recommendations are ready for implementation.²⁸ There are other recommendations (in particular, the ability for the community to approve/veto the ICANN budget) that have been requested of the CCWG-Accountability as part of a key conditionality 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 memoranda were provided to the CWG-Stewardship that may be useful for consideration in implementation.²⁹ At this stage, considering possible interest and modifications pending from the other operational communities, [the CWG-Stewardship leaves it to the ICG to determine establishing PTI-]. In the meantime, however, the CWG-Stewardship believes it to be good operational practice to separate the physical infrastructure of IANA operations from ICANN operations.)
- **ICANN-PTI Contract** – the CWG-Stewardship, with assistance from its legal counsel, developed a Term Sheet from which the ICANN-PTI contract can be developed. PTI will need to be established before ~~developing~~entering 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 conditionality 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?

Include reference/footnote to further details on proposed SLEs

Sidley Comment: What is meant here? Does this refer to "how" PTI is established (not "whether")?

This was included as a follow up to action item from 28 May: "Action: Flag under Section IV that se paration of physical infrastructure is r ecommendation for integrity of IANA services (may not being required as p art of transition but would be good pr actice)".

²⁸ Documentations and details related the IANA operations Budget are available in **Annexes**

²⁹ All documents from legal counsel are available on the CWG-Stewardship Wiki at <https://community.icann.org/display/gnsocwgdstwrdsdp/Client+Committee>.

- 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?
- **IFR (periodic and special)** – the first IFR will not commence until two years after the IANA Stewardship Transition. Therefore, the CWG-Stewardship does not envision a need for implementation of the IFR at this time. However, as with the CSC, the IFR will need to be incorporated into the ICANN Bylaws as [a fundamental bylaw as](#) part of a key conditionality with the CCWG-Accountability as soon as their work is finalized.
- **Changes to customer complaints and escalation mechanisms** – the CWG-Stewardship consulted ICANN's IANA department in developing these mechanisms, and believes that at least the changes are ready for implementation.
- **Implementing changes to the Root Zone environment** – The CWG-Stewardship transition proposal recommends that the ICANN Board take over the responsibility of approving all substantive, architectural, changes to the Root Zone environment (such changes being rare events). ICANN will coordinate with the NTIA for any ongoing approval processes for significant changes to the Root Zone environment to ensure continuity of these. Note that changes to the Root Zone environment may be contingent on what happens with the parallel Root Zone Maintainer Cooperative Agreement, which is not in scope of the CWG-Stewardship's work.
- **Community empowerment mechanisms** – These have been requested of the CCWG-Accountability as part of a key conditionality with the CCWG-Accountability as soon as their work is finalized. [In particular, mechanisms such as: the ability to recall the ICANN Board decisions relating to periodic or special reviews of the IANA functions undertaken through the IFR; the ability to approve change to ICANN's fundamental bylaws as well as the related creation of a stakeholder community / member group in order ensure the ability to exercise these kinds of rights.](#)
- **Appeal mechanism** – This have been requested of the CCWG-Accountability as part of a key conditionality with the CCWG-Accountability as soon as their work is finalized.

Review once clarified by DT-F what the process will be for ICANN Board to receive changes

VII. NTIA Requirements - under development

189 *Additionally, NTIA has established that the transition proposal must meet the following five requirements:*

- *Support and enhance the multistakeholder model;*
- *Maintain the security, stability, and resiliency of the Internet DNS;*
- *Meet the needs and expectation of the global customers and partners of the IANA services;*
- *Maintain the openness of the Internet.*
- *The proposal must not replace the NTIA role with a government-led or an inter-governmental organization solution.*

190 *This section should explain how your community's proposal meets these requirements and how it responds to the global interest in the IANA functions.*

191 This proposal addresses each of the NTIA's requirements as follows:

102 **V.A. Support and enhance the multistakeholder model**

193 The naming community depends upon ICANN's multistakeholder policymaking structure to develop its processes and policies. While the direct policymaking groups are the GNSO and the ccNSO, the Advisory Committees – ALAC, GAC, RSSAC, and SSAC – are essential parts of the multistakeholder model. Processes in the ICANN multistakeholder model are bottom-up, transparent, and inclusive of all stakeholders. The CWG-Stewardship reinforces and enhances the multistakeholder model by keeping policy development separate from the IANA operations and focusing on the needs of the operational community by establishing transparent and direct control over PTI, specifically by:

- Replacing NTIA oversight of IANA with ICANN oversight of PTI ensured by the CSC and IFR [Team](#) which are both multistakeholder entities (which include non-ICANN participants), thus enhancing the multistakeholder model.
- CSC and IFR [Team](#) issue escalation mechanisms (developed in CWG-Stewardship and CCWG-Accountability proposals) are based on open and transparent processes, and multistakeholder (which include non-ICANN naming related participants) decisions thus enhancing multistakeholder implication.

104 **V.B. Maintain the security, stability, and resiliency of the Internet DNS;**

195 The security, stability and resiliency of the Internet DNS are core values for ICANN as attested by the first item of Section 2 of the ICANN Bylaws which states:

196 *'In performing its mission, the following core values should guide the decisions and actions of ICANN:*

1. Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.'

197 This core value has been part of the ICANN Bylaws for well over a decade and there are no plans to modify it.

198 Additionally the security, stability and resiliency of the Internet DNS was also assured by the NTIA's oversight of the IANA function which was carried out by the mechanisms documented in section 2 of this proposal. The CWG transition seeks to maintain or improve on all of these as follows:

- Root Zone Management Process Administrator for changes to the Root zone – The CWG-Stewardship has recommended that the approval function of the NTIA for changes to the Root Zone and its Whois database should not be replaced post-transition because it does not contribute in a significant fashion to the security, stability and resiliency of the Internet DNS.
- Root Zone Management Process Administrator for changes to the Root zone environment (such as the introduction of DNSSEC) – This CWG-Stewardship recommends that this approval function be maintained via a (multistakeholder process TBD) because it is critical to maintaining the security, stability and resiliency of the Internet DNS.
- IANA Functions Contract Administrator – The IANA Functions Contract and its oversight by the NTIA are considered key elements for the security, stability and resiliency of the Internet DNS. As such, the CWG-Stewardship recommends the creation of the PTI ~~within~~ [as an affiliate of ICANN and as the counterparty to a contract with ICANN](#), thus benefiting from the existing and strengthened accountability mechanisms and protections against capture.
- As to the oversight of the contract, the ~~NTIA's~~ [NTIA's](#) role will be replaced and augmented by the CSC and the IFR oversight mechanisms thus improving the security, stability and resiliency of the Internet DNS.

This needs to be settled for the final proposal.

199 **V.C. Meet the needs and expectation of the global customers and partners of the IANA services;**

200 The CWG-Stewardship's December 1st public consultation on its first transition proposal confirmed overwhelming satisfaction of the global customers and partners of IANA.

201 As such, the CWG-Stewardship's proposal ensures that PTI will continue to provide the IANA Function to its global customers and partners post transition in essentially the same manner it does today.

202 The CWG-Stewardship proposal is the result of extensive community dialogue and input. Additionally, the CWG-Stewardship's transition proposal has been approved by the multi-stakeholder community which participated in its development as well as by the CWG-Stewardship's designated chartering organizations.

203 **V.D. Maintain the openness of the Internet.**

204 The CWG-Stewardship's transition proposal does not contemplate any changes which would
in any way affect the openness of the Internet. This includes continued support IANA
customers on the OFAC list of the USG.

205 **V.E. The proposal must not replace the NTIA role with a government-led or an
intergovernmental organization solution.**

NTIA's oversight of the IANA function is documented in section 2 of this proposal and includes
the following roles:

- Post Transition establishes a PTI ~~within the~~ as an affiliate of ICANN ~~structure~~, thus benefiting from the existing accountability mechanisms and prevention of capture including by governments.
- Root Zone Management Process Administrator for changes to the Root Zone: The CWG-Stewardship's recommends that the approval function of the NTIA for changes to the Root Zone and its Whois database should not be replaced post-transition.
- Root Zone Management Process Administrator for changes to the Root zone environment (such as the introduction of DNSSEC): The CWG-Stewardship recommends that this approval function be maintained via a multi-stakeholder process which will not be government-led or an inter-governmental organization.
- IANA Functions Contract Administrator: This was the NTIA's oversight of the IANA functions contract which will be replaced and augmented by the CSC and the IFR [Team](#) which will not be government-led or an inter-governmental organization.

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

227 In February 2015, post the Singapore face-to-face meeting, the CWG-Stewardship discussed and agreed in March 2015 on an alternative, focused, and agile method, i.e., to work on the remaining open issues through a so called Design Team method. A Design Team focuses on a specific, pre-defined work item and delivers its output in a short timeframe.

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

229 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.

230 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/gnsocwgdstwrdsdp/Design+Teams+List>

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

232 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,³⁵ 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.

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

234 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/gnsocwgdstwrdsdp/Client+Committee>

235 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

³⁵ The Client Committee was composed of the two co-chairs and two CWG-Stewardship members.

- Public input session for ccTLD and gTLD operators; and
- Public comment period.

257 Drafted amendments would be subject to at least the following processes before they came into effect:

- Public comment period;
- Ratification by the ccNSO and the GNSO Councils by a supermajority threshold; and
- Approval by the ICANN Board.

As suggested by DT N

258 The timeline for implementing any amendments to the IANA SOW would be agreed to between the IANA Function Review Team and the IANA Functions Operator.

259 **Scope of IANA Function Reviews**

260 At minimum, the IANA Function Review and the IANA SOW would consider the following:

- The performance of the IANA Functions Operator against the requirements set forth in the IANA SOW;
- Any necessary additions to the IANA SOW to account for the needs of consumers of the IANA naming functions or the ICANN community at large;^{41/42}
- Openness/transparency procedures for the IANA Functions Operator and any oversight structures, including reporting requirements and budget transparency;
- The effectiveness of new structures created to carry out IANA oversight in monitoring performance and handling issues with the IANA Functions Operator;
- The relative performance of the IANA Functions pre- and post-transition according to established service levels; and
- Discussion of process or other improvements (where relevant to the mandate of the [IFR/IANA Function Review](#)) suggested by the CSC or community.

Footnote includes text suggested by Martin Boyle.

Text suggested by Martin Boyle

261 At minimum, the following inputs would be considered as a part of the review:

- The current IANA SOW;
- Regular reports provided by the IANA Functions Operator during the defined review period including:
 - Monthly performance reports;

⁴² Note: this does not include any review of policy developed or adopted through agreed processes or on ICANN's relationship with contracted TLDs.

265 Composition of Review Teams

266 Who are the relevant stakeholders?

267 All stakeholder groups represented at ICANN would be relevant for the reviews done by the IANA Function Review Team⁴⁴. Additionally the Number and Protocol operational communities would each be offered the opportunity to name a liaison to the review group. The IANA Function Review Team would be composed as follows:

Sidley Comment: Should this FN be deleted?

Group	IFRT Members
ccNSO	2
ccTLDs (non-ccNSO)	1
Registry Stakeholder Group (RySG)	3
Registrar Stakeholder Group (RsSG)	1
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	1

Edits per Martin Boyle's comments

268 (In any case where a recommendation focuses on a service specific to gTLDs or to ccTLDs, or where the processes are different between the two, the final recommendation should not be decided in the face of opposition from that community's members. Solely gTLD issues must not be decided in opposition to GNSO members and solely ccTLD issues (or issues which are handled differently for ccTLDs) must not be decided in opposition to ccTLD members of the ~~IFRT~~ IANA Function Review Team.)

Text suggested by Martin Boyle

⁴⁴ It has not yet been determined the manner in which the community function is implemented in most cases. The assumption is that the larger solutions in CWG-Stewardship & CCWG-Accountability will determine the possible forms for the community function activities. In some cases the Community Function may be expressed by an on-demand cross community group, at other times it might be represented by a mechanism that gathers the views of the various SOs and ACs.

269 Additionally an IANA Functions¹ Operator staff member would be appointed as a point of contact for the IANA Function Review Team.

270 **What body should coordinate reviews?**

271 An IANA Function Review Team should be convened once every five years (or two years from the date of transition for the initial review) for the purpose of leading a review of the IANA SOW and the additional performance parameters defined above. The IANA Function Review Team would not be a standing body and would be reconstituted for every IANA Function Review.

272 Individuals interested in participating in the IANA Function Review Team would submit an Expression of Interest that includes a response addressing the following matters:

- Why they are interested in becoming involved in the IANA Function Review Team;
- What particular skills they would bring to the IANA Function Review Team;
- Their knowledge of the IANA Functions;
- Their understanding of the purpose of the IANA Function Review Team; and
- That they understand the time necessary required to participate in the review process and can commit to the role.

273 Supporting Organizations or Advisory Committees, in accordance with their respective internally defined processes, would appoint individuals that had submitted expressions. 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.)

As suggested by DT N

274 **What is the scope of its responsibility for leading the review?**

275 The IANA Function Review Team defined above will have the primary responsibility for carrying out the IANA performance review, including:

- Review and evaluation of the review inputs defined above;
- Initiation of public comment periods and other processes for wider community input;
- Considering inputs received during public comment periods and other procedures for community input; and
- Development of recommendations on changes to the ~~IANA Statement of Work~~[SOW](#), to IANA Functions Operator performance.

276 The IANA Function Review will be a high-intensity project and all members selected are expected to participate actively in the work of the IANA Function Review Team.

~~(277 The IFRT will be an internal to ICANN body defined within the ICANN Bylaws. ICANN will provide secretariat and other support for the IFRT.)~~

As suggested by DT N

277 [\(The IANA Function Review Team will be an internal-to-ICANN body defined within the ICANN bylaws as a fundamental bylaw. ICANN will provide secretariat and other support for the IANA Function Review Team.\)](#)

As suggested by DT N

278 **What sort of process structure is warranted (what is the timeline? what are the working methods?)?**

279 The CWG-Stewardship recommends that the IANA Function Review be organized along the same ICANN Cross Community Working Group guidelines that have developed over the past years and which have been used successfully in the process of developing the IANA Stewardship Transition recommendations. As with the CWG-Stewardship, this review group would be co-chaired by someone designated by the GNSO and someone designated by the ccNSO. The groups would work on a consensus basis. In the event that consensus could not be reached, the IANA Function Review Team could decide by a majority vote of the group members.

280 The CWG-Stewardship expects that this process should take nine ~~(9)~~ 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.

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

282 As with other Cross Community Working Groups, the CWG-Stewardship recommends that all mailing lists and meetings would 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.

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

284 **What should trigger reviews?**

285 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 [periodic](#) reviews will be scheduled to commence at five year intervals from the date of the initial IANA Function Review.

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

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

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Sidley Comment: [Is there a reason proposal no longer describes requirement that supermajority of GNSO and ccNSO Councils first approve Special IFR?](#)

Sidley Comment: Annex L doesn't describe the Special IFR, but rather a Separation Process following a Special IFR, so details on Special IFR should all be here.

(The Special IFR is described in greater depth in Annex L.)

We recommend that the requirement to conduct and facilitate ~~these reviews~~ [the periodic and special IANA Function Reviews](#) be articulated in the ICANN Bylaws and included as ~~a Fundamental Bylaw~~ [an ICANN fundamental bylaw](#) under consideration by CCWG-Accountability. In addition, the review could be set forth in the contract between ICANN and Post-Transition IANA or PTI.

Table of Reviews

Review Type	Frequency	Responsible
IANA Function Review (IFR) including: Statement Of Work (SOW)	Initially after two years, then moving to every 5 years Can Special IFR can also be triggered by the ICANN community	IANA Function Review Team
Review monthly performance report	Monthly	CSC
Site visit	On-demand	IRT IANA Function Review Team
Review CSC report on IANA Functions Operator performance SOW report	Annual	AC/SO/ICANN Comment period ICANN Board
Review performance metrics	Quarterly	CSC
Review customer survey report	Yearly	CSC
Review security audit process report	Annual	CSC
Review RZM audit report	Quarterly	CSC RZOs
Review annual audit report	Annually	CSC with community input, ie i.e. , open ICANN comments
Review COI Enforcement Compliance audit report	Annually	Community review (AC/SO/Board) with comments to IANA

Annex G – Proposed Charter of the Customer Standing Committee (CSC)

Awaiting DT-C's input

290 Mission

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

291 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 top-level domain registry operators, but also include root server operators and other non-root zone functions.

292 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.

293 The CSC is not mandated to initiate a change in the IANA Functions Operator, but could escalate to the ccNSO and/or the GNSO, which might then decide to take further action using agreed consultation and escalation processes.

294 Scope of Responsibilities

295 The CSC is authorised to monitor the performance of the IANA ~~naming function~~[Naming Function](#) against agreed service level targets on a regular basis.

296 The CSC will analyse reports provided by the IANA Functions Operator on a monthly basis and publish their findings.

297 The CSC is authorised to undertake remedial action to address poor performance in accordance with the Remedial Action Procedures (see illustrative procedures at the end of this annex).

298 In the event performance issues are not remedied to the satisfaction of the CSC, despite good-faith attempts to do so, the CSC is authorised to escalate through the ccNSO and GNSO using agreed consultation and escalation processes.

299 Complaints of unsatisfactory performance from individual registry operators are first to be directed to the IANA Functions Operator who should be given a reasonable opportunity to remedy the issue so that the CSC's focus is on the resolution of systemic and persistent technical issues raised by customers. The CSC may receive complaints from individual registry operators regarding the performance of the IANA Naming Function; however, the CSC will not become involved in a direct dispute between any registry operator and IANA.

300 The ICANN bylaws make clear that it must apply policies consistently, neutrally, objectively and fairly, without singling any party out for discriminatory treatment; which would require

- GAC
- ALAC

308 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.

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

310 **Membership Selection Process**

311 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 the role.

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

313 While the ccTLD and gTLD members and Liaisons will be appointed by the ccNSO and RySG respectively, registry operators that are not participants in these groups will be eligible to participate in the CSC as members or Liaisons.

314 The full membership of the CSC must be approved by the ccNSO and the GNSO. While it will not be the role of the ccNSO and GNSO to question of validity of any recommended appointments to the CSC they will take into account the overall composition of the proposed CSC in terms of geographic diversity and skill sets.

315 **Terms**

316 CSC appointments will be for a two-year period with the option to renew for up to two additional ~~two-year~~ two-year period. The intention is to stagger appointments to provide for continuity and knowledge retention.

317 To facilitate this, at least half of the inaugural CSC appointees will be appointed for an initial term of three years. Subsequent terms will be for two years.

318 CSC appointees must attend a minimum of 9 meetings in a one-year period, and must not be absent for more than two consecutive meetings. Failure to meet this requirement may result in the Chair of the CSC requesting a replacement from the respective organisation.

Annex L – Separation Process

367 In the event that an IANA Function Review resulted in a decision to initiate a Separation Process the following processes must be followed.

368 Once the initiation of the Separation Process is approved, a [Separation Cross-Community Working Group \(SCWG\)](#) would be appointed to manage ~~the an RFP or other~~⁵² [for the performance of the IANA Naming Functions by a third party in lieu of PTI or another separation process \(which would not necessarily require an RFP\), such as a divestiture of PTI \(each, a Separation Process\)](#). The SCWG would follow the overall guidelines and procedures for ICANN Cross Community Working Groups. The SCWG working procedures should ensure transparency to the fullest extent possible, through by creating open discussion listservs and holding open calls, with read or listen-only modes for non-participants.

369 Composition

370 The SCWG would be composed as follows⁴⁹⁵³:

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

⁵² [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, and the ICANN Board.](#)

⁴⁹⁵³ Given the unique purpose and task of the Separation Community Working Group, if this composition diverges from the recommendation of the Cross Community Working Group on Principles for Cross Community Working Groups, the structure herein shall prevail. [\[Sidley Comment: Can we clarify this?\]](#)

371 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.

372 It is strongly recommended that the representatives appointed to the SCWG be different representatives than those that participated on the Special IFR (with the exception of the Review Team Liaison). This will provide an additional check, account 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.

Sidley Note: This is not defined.

373 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. [One specific expectation is that with six ~~(6)~~ total registry seats on the SCWG, including ccTLD and GTLD registries, all five ~~(5)~~ ICANN geographical regions be represented.]

374 Responsibilities

375 The SCWG would be responsible for:

- Developing RFP Guidelines and Requirements for the performance of the IANA Naming Functions;
- Soliciting participation in the RFP Process;
- Reviewing responses to the RFP⁵⁹⁵⁴;
- Selecting the entity that will perform the IANA Naming Functions; and
- Managing any other Separation Process.

376 The selection of a new operator to perform the IANA Naming Functions ~~for a decision to divest PTI from ICANN~~ [other Separation Process](#) would be subject to ICANN Board and ICANN membership approval (assuming ICANN becomes a membership organization). A determination by the ICANN Board to not approve a recommendation by the SCWG that had been supported by a supermajority of the ccNSO and GNSO Councils would need to follow the same supermajority thresholds and consultation procedures as ICANN Board rejection [\(by a supermajority vote\)](#) of a PDP recommendation that is supported by a supermajority of the GNSO.

Sidley Comment: Also by supermajority vote?

Sidley Comment: Also ccNSO and GNSO Council approval? See next sentence.

377 The entity prevailing in the RFP would carry out the role currently performed by PTI for the IANA Naming Functions. ICANN would remain the contracting party for the performance of the IANA Naming Functions and would enter into a contract, including a statement of work, with this entity. If PTI is selected to continue performance the IANA Naming Functions, it would remain an ~~Affiliate~~ [affiliate](#) of ICANN (unless a structural change was a condition of the bid

⁵⁹⁵⁴ 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~~ [Special 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.

proposal or of the selection). Otherwise, the new entity would be a subcontractor for the performance of the IANA Naming Functions.

37R CCWG Accountability dependencies

37Q Enumeration of the relevant accountability mechanisms that could or must be exhausted before a Special IFR could be triggered:

- Creation of an ICANN Membership organization.
 - Creation of a membership organization to approve the final selection of the SCWG (if this tenet of the CCWG-Accountability proposal is not implemented a new approval mechanism will have to be put in place).
 - Per the above ~~separation process~~ [Separation Process](#) the selection of the entity that would perform the IANA Naming Functions following a ~~separation process~~ [Separation Process](#) would require [ICANN](#) membership approval. If this element of the CCWG-Accountability proposal is not implemented, this process will require revision.
- Creation of ~~a Fundamental Bylaw~~ [an ICANN fundamental bylaw](#) to describe the IANA Function Review (IFR) and establish the above voting thresholds for triggering the Special IFR and approving the outcomes of an IFR; ~~and~~.
- Creation of ~~a Fundamental Bylaw~~ [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 Naming Functions or other end-result of the SCWG process.
- ~~Creation of a membership organization 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).~~

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 would 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 would 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 2010⁶⁴⁵⁵. That plan requires that a full KSK rollover be done so the successor starts fresh.⁶²⁵⁶
- 8) **Transition Assistance:** The Incumbent IANA Functions Operator would assist the successor 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 operator and developing training material.
- 9) **Security for data retention:** The Incumbent IANA Functions Operator would continue to provide security for any data retained by it after transferring such data to the successor contractor.

⁶⁴⁵⁵ KSK Termination Plan (June 2010)

⁶²⁵⁶ 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>

Annex R

414 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 [of on](#) the IFO customers for using the new method
 - Potential impact on the security, stability and resiliency of the DNS.
- Classification of evaluation of criteria
 - 0 - signifies significant requirements or negative impact
 - 1 - signifies moderate requirements or negative impact
 - 2 - signifies minor requirements or impact
 - 3 - signifies no requirements or impact

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

Summary of evaluations:

Element Being analysed	Score	Evaluation
PTI as an affiliate of ICANN	score = 8/15 = 53%	workable
Contract between ICANN and PTI	score = 13/15 = 87%,	very workable
IFR	score = 8/15 = 53%	workable
CSC	score = 10/15 = 67%	workable
Customer complaint and escalation procedures	score = 11/15 = 73%	workable
Approving changes to the Root Zone environment	score = 8/15 = 53%	workable
Replacing NTIA as the Root	13/15 = 87%	very workable

Zone Management Process administrator		
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416 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 GDD, further~~ ICANN. legal 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 of on the IFO customers for 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~~ DNS.
 - 3 – Given the current IFO systems, processes, procedures and personnel for these activities would be transferred to PTI as an affiliate of ICANN no additional risks are foreseen for the security, stability or resiliency of the Internet.
- Total score = 8/15 = 53%, workable

● Contract between ICANN and PTI (Total score = 13/15 = 87%, very workable)

- What is changing
 - Currently the contract is between ICANN and the NTIA. The new contract will bed be between ICANN and PTI. This will require new processes and procedures.
- Complexity of the new method
 - 32 – IANA currently works under the NTIA IANA Functions Contract and the PTI-ICANN contract should mirror this contract in most aspects. As such ~~there is no additional complexity~~ 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 [of on](#) the IFO customers for using the new method
 - 3 – This should be transparent for the IANA naming customers.
- Potential impact on the security, stability and resiliency of the [DNsDNS](#).
 - 3 – None ~~vs~~[compared to](#) the current NTIA IANA Functions Contract.
- Total score = 13/15 = 87%, very workable

● **IFR (Total score = 8/15 = 53%, 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 and 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 time and that the rules will be quite review and detailed processes around these reviews, this will be](#) complex.
- Implementation requirements for the new method
 - 0 – (Adding the IFR and its powers to the ICANN Bylaws will 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 [of on](#) the IFO customers for using the new method
 - 3 – This should be transparent for the IANA naming customers.
- Potential impact on the security, stability and resiliency of the [DNsDNS](#).
 - 2 – Given the IFR can recommend ~~to a~~ change [in](#) IFO ~~providers~~ [provider \(subject to further approvals\)](#) this could have some impact on the security, stability and resiliency of the [DNsDNS if a transition is ultimately required](#).
- Total score = 8/15 = 53%, workable.

Sidley Comment: We don't think incorporating this into the Bylaws is a significant undertaking. We would rate this as a "1" and recalculate.

● **CSC (Total score = 10/15 = 67%, workable)**

- What is changing
 - Currently IANA is responsible for ongoing monitoring of IANA performance of its functions. The CSC is the proposed mechanism to replace this function.
- Complexity of the new method
 - 1 – Given this requires the creation of a new ICANN standing committee with a new charter this is considered moderately complex.
- Implementation requirements for the new method
 - 0 – Adding the CSC and its powers to the ICANN Bylaws will a significant undertaking.)
- Impact on the IFO for working with the new method.
 - 3 – Given IANA currently works with the NTIA for performance tracking and that the CSC role is limited to this ~~this~~, there should ~~have~~ not be any additional impact on the IFO.
- Impact of the IFO customers for using the new method
 - 3 – This should be transparent for the IANA naming customers while providing new mechanisms for resolving customer issues.
- Potential impact on the security, stability and resiliency of the ~~DN~~DNS.
 - 3 – None foreseeable.
- Total score = 10/15 = 67%, workable.

Sidley Comment: [We don't think incorporating this into the Bylaws is a significant undertaking. We would rate this as a "1" and recalculate.](#)

● **Customer complaint and escalation procedures (Total score = 11/15 = 73%, workable)**

- What is changing
 - The NTIA had its internal procedures for addressing lack of performance and complaints by IANA customers. These customer complaint and escalation procedures seek to replace these.
- Complexity of the new method
 - 1 – More complex than current methods.
- Implementation requirements for the new method
 - 2 – Most of the implementation should have been covered in the IFR and CSC.
- Impact on the IFO for working with the new method.
 - 2 – (Not all aspects deal with PTI. PTI will have to up touch up some procedures.)
- Impact of the IFO customers for using the new method
 - 3 – There should be no negative impact on the IFO customers as complaint and escalation procedures are either similar or improved.

Sidley Comment: [What is contemplated by this? Consider deleting and stating that limited impact.](#)

- Potential impact on the security, stability and resiliency of the DNS.
 - 3 – None foreseeable.
- Total score = 11/15 = 73%, workable.

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

- What is changing
 - NTIA was responsible for approving all changes to the Root Zone environment. This section proposes a replacement for this process.
- Complexity of the new method
 - 0 – Significantly more complex than current NTIA only approval.
- Implementation requirements for the new method
 - 1 – This should include procedure for creating review teams, draft terms of reference for review teams and process for obtaining ICANN Board approval for changes.
- Impact on the IFO for working with the new method.
 - 3 – Not different than the current process ~~vs~~for IFO.
- Impact ~~of~~on the IFO customers for using the new method
 - 3 – There should be no negative impact on the IFO customers – possibly more transparency about the process.
- Potential impact on the security, stability and resiliency of the DNS.
 - 1 – Changes to the Root Zone environment have a potential to threaten the security, stability and resiliency of the DNS. Although one expects the same participants should be involved as would be under the current process and the safeguards should be the same or better any change to the Root Zone environment should be evaluated as moderate.
- Total score = 8/15 = 53%, workable.

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

- What is changing
 - NTIA currently approves all changes to the Root Zone or its Whois database. This will no longer be required.
- Complexity of the new method
 - 3 – Removing the requirement for a third party approval of all changes to the Root Zone removes a layer of complexity.
- Implementation requirements for the new method
 - 2 – Minor coding and process documentation changes.
- Impact on the IFO for working with the new method.

- 3 – Lowering the complexity produces a positive impact on the IFO.
- Impact [efon](#) the IFO customers for using the new method
 - 3 – From a process point of view this will be transparent to clients with the possible exception of some performance increases.
- Potential impact on the security, stability and resiliency of the DNS.
 - 2 – Although basically considered a formality the NTIA authorization could be considered as providing a minor added value to the security, stability and resiliency of the Internet.
- Total score = 13/15 = 87%, very workable

Annex S: Draft Term Sheet (as proposed by Legal Counsel)⁵⁷

Memorandum

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

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

Re: Term Sheet – ICANN-PTI Contract

Date: May 18, 2015

IANA Functions Contract between ICANN and the NTIA

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

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

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

It is anticipated that this initial proposed term sheet will be further revised after review and consideration by CWG, and to consider the feedback and public comment on the Second Draft Proposal circulated in April 2015.

PROPOSED KEY TERMS FOR ICANN-PTI CONTRACT

- All terms are subject to further review and discussion
- Terms in current ICANN-PTI Contract but revised for dates, for change in parties from the ICANN-NTIA Contract, or for

⁵⁷ [Note to Draft: This Term Sheet is as of May 18, 2015. Certain terms may be superseded by developments in the proposal or otherwise.](#)