

**Legal and Functional Variants of Internal Accountability/Hybrid Model**

Variable	Functional Separation	Legal Separation
Contract?	No	Yes
PTI Board/Governance at IANA level?	No – rely on accountability at ICANN	Yes  - Could be “insider” board to streamline governance (plus potentially, customer representatives) - Alternatively, could be an independent board
Mechanism for future separation?	Address at time of separation - Risk that shared assets in the future that cannot be separated or are more difficult to separate - Risk that attempt to separate is at a time of some dysfunction	Address now; ring-fenced - Creates additional work to be done now - Known universe of shared assets can be handled now (vs. unknown shared assets in the future)
Ability to sue to enforce rights between ICANN and IANA?	No (because no contract). Instead operational issues would be addressed through PRF and CSC	Yes, under contract. In addition, operational issues would be addressed through PRF and CSC.  If insider PTI board, reliance may be heavier on PRF and CSC.
Bankruptcy?	ICANN bankruptcy would implicate IANA functions (all assets are combined)	ICANN bankruptcy would not necessarily implicate IANA functions because IANA is a separate legal entity; however, risk remains in either variant if there is an ICANN bankruptcy because trustee in bankruptcy can choose to avoid (i.e., not recognize) contracts that the bankrupt entity is a party to.