

ICANN

**Moderator: Brenda Brewer
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Lise Fuhr: Well good morning everyone. My name is Lise Fuhr. I'm the co-chair of the CWG together with Jonathan Robinson. We will start this day number two of the CWG stewardship transitions.

Well it's good to see you. I hope you all had a nice evening and had some good time and have some good thoughts about all we did yesterday.

Today we have a Sidley Austin and explain again. And explain will hopefully help us visualizing all the things we're talking about.

And Sidley Austin will - we will have those for the first morning session here. And they're going to help us with thinking around the different models.

And we know you have been talking to them and that's very good. We want to involve them. And we want you to involve them also with your questions and thoughts around the different models and issues we have.

We think Jonathan and I found that yesterday was a very good and very productive day. We had very good progress with the design teams. And that's a very important part of our work.

That was part of what we get criticized for in Singapore so now we're moving ahead. That's very good.

And on either side well we had the meeting with the CWG. We very much rely on their input and we're linked to the - their work. So it's important that we keep the linkage and wiki focused on what they're doing and how that fits into our work and vice versa.

And we also got a very good overview of the legal landscape of what's possible with the different models. So that adds up with the question on where do we take it today?

Jonathan?

Jonathan Robinson: So thank you very much Lise. Good morning. It's Jonathan Robinson. You swapped your seats around. That's very sort of innovative. Not everyone's sitting where they were yesterday. That's where as we all are. Exactly.

So I think that's the helpful introduction Lise thanks. I mean thinking about the various inputs and how we, you know, productive sessions yesterday.

I mean we took some care thinking about the agenda and you'll see we've reshaped the agenda from what we had previously.

The way we've set it up is I mean it's pretty clear and evident to all of us that we got some good momentum. I think we're all very pleased to hear the structured and substantial input on the questions in and around what will eventually lead to legal advice, the sort of input that we got from Sidley yesterday.

And I felt that we had enough momentum that we were very keen to carry that on. So we sort of reversed the order from where we were previously.

Originally both yesterday and originally I think day two was going to pick up on the design teamwork which of course is critical and then go into further work on the legal and structural issues.

I think one of the concerns we had coming into the meeting was that this could be - we didn't want to repeat the sort of faults of the past where we had only focused on that.

But given the momentum from yesterday it seems that it's really worth maintaining that and continuing to work with that.

So we've reverse the order. We're going to pick up on the more questions, have a little more discussion over any of the advice points if there's anything somebody thought about overnight or would like to revisit or re-clarify or open up a new question.

And once we've been through that and had a chance to talk about that we want to go into we want to apply that really to think more about the models and whether or not there is an opportunity to reduce the number of options we've got on the table, to refine any of them add really take a detailed review of the models in the context of that input we've had.

I think it's worth thinking about what the outcomes might be. And if we could reduce the landscape of options we're sitting with arguably seven options. It's a lot to try and deal with. We might want to either reduce or prioritize.

I'm not sure we're going to get as far as a single model. I mean frankly I think in one sense that would be fantastic because it would mean we had a form of resolution for our proposal.

It may be too ambitious. Let's see how far we can get as we reduce the options and think about what - how we might be able to bring these things together.

But we also mustn't forget the afternoon where we've got to at least finalize the landscape of the design teams and have a pretty clear plan going forward.

And so the final session then takes us into a timeline and reviewing the inputs and issues in and around the timeline which is of course further development of structures, design teams, and all else that involves the timeline including the, you know, the various public comments, consultation periods, support of the chartering organization and all of the issues that that throws up.

So we hope that if we take that route through the day we should come out with a pretty clear view of where we go between now and the next few months ahead. And ideally we're in - we've got ourselves a decent plan.

So that's the outline. Those are the sort of remarks that we wanted to make before moving into the first session.

Any questions at this stage on the agenda, the organization and what we're planning to do? Avri?

Avri Doria: Thank you. Sorry I hadn't - I haven't put up the Adobe Connect yet so thank you for recognizing a physical hand.

I had a question. In terms of the design teams and going actually looking at both the morning and afternoon.

If we go through now and you indicated the best hope is that we settle on one general model and then we can focus on fine-tuning it and getting it right.

If we don't get to that is the design team per candidate model sort of an optional way to continue or how do you - how have you visualized let's say we get down to gee we have either A or B where we started all this before we get to seven models and each of them has to flush themselves out more to answer the questions we couldn't answer in three hours.

Is the design team a mechanism that you would use for that or will we invent some new process?

Jonathan Robinson: I think probably neither. But, you know, again we can discuss that. I mean one of the things that really struck us yesterday I mean when we thought about how to structure today's session one option was to kind of break out into groups and think about when - whether we do things.

But what was really striking yesterday was that in spite of the fact that it was clear that there wasn't universal agreement there was a very good atmosphere of cooperation and working together.

So my proposal - and this is - we haven't thought it all through and find detail. But my concern with going down this sort of design team routes was will sort of end up in camps advocating for models.

So to the best of our ability I think we're going to try to keep ourselves together and try and build consensus within the group and work as a group.

So if we didn't get that outcome today in other words a resolution or a clear vision of where that resolution might be it's probably more likely we'll seek to come together as a group.

Again that's not all in person because it clearly has significant logistical issues. But we'll try and get together in a high intensity session and we can talk about that in a timeline when that might be.

But that feels like more where we're at the moment given but there's some atmosphere and spirit within the group. So Chris your hand is up?

Chris Disspain: Yes Jonathan. I'm sorry to raise a very fundamental issue at this early stage but we don't appear to have any coffee breaks this morning according to the agenda.

Jonathan Robinson: All right you...

Chris Disspain: And I'm very worried about that.

Jonathan Robinson: Yes we have a secret weapon. Yes coffee break at chair's discretion. It depends how...

Chris Disspain: Oh, no sorry. No I'm sorry that's just not multi-stakeholder nor is it bottom-up.

Jonathan Robinson: The timing is at the discretion. We have the coffee is arranged rest assured.

Lise Fuhr: Well you just do as we say and you get coffee so...

Jonathan Robinson: Any other questions about the agenda, structure perhaps anything arising, any other thoughts or points? Jordan?

Jordan Carter: Just a question. If we don't get to the single model nirvana today it's important that we've at least had a discussion about decision factors that might lead us to that point.

If we can at least have a shared understanding of how we might go about making a decision because we think we need more advice or more scrutiny to get to that point that will definitely be better than not doing that.

And it probably is important to be able to demonstrate that even if we end up with a refined model.

Lise Fuhr: I think that's what we're trying to do under the review and test is actually go through how we can find a way to - a path not necessarily decide on one model but find a way to work with it. Thank you.

Jonathan Robinson: Okay let's move then on to the second session then.

Lise Fuhr: Thank you. Yes we have Sidley Austin here. We have (Holly) and Sharon to help us if you have any further questions regarding the legal.

Yesterday we had a - well a walk-through of the different models and the scoping document that the Client Committee sent to Sidley Austin.

And well you've had your chance to digest some of it this evening and night and if you have any questions we have the chance to ask Holly and Sharon now.

And I don't know if you have anything to start with or we just should go into the questions?

Holly Gregory: If we're going to take an absence of questions if either just ratification of our excellent ability as teachers or otherwise as our really credibly poor ability as teachers.

Lise Fuhr: I was just too quick but there are questions I can see now. Jordan your hand is up. Old hand okay. Then Alan?

Alan Greenberg: Thank you very much. I'd like to investigate a little bit more what we were talking about yesterday on affiliates that is the replacement for the wholly owned nonprofit subsidiary.

And you were saying because it was an affiliate it wasn't really an asset that could be seized in an involuntary bankruptcy if I understood correctly.

Holly Gregory: What I was saying is we need to do more research on it.

Alan Greenberg: Okay.

Holly Gregory: But at least because it's not a truly wholly-owned subsidiary there's at least an argument that it shouldn't be reached in a bankruptcy of ICANN.

Alan Greenberg: Okay. That was indeed the question that because we are the controlling party why is it not an asset that indeed could be seized? That would be rather valuable input. I'm not on a legal committee to give you instruction but I think that would be of some great value to know.

Lise Fuhr: Chris you're next.

Chris Disspain: Thanks. Actually Alan sort of started off down a similar path to where I was headed to.

So with the affiliate I think I understand this so I know it's not a subsidiary.

I - not for profits cannot have subsidiaries but not - but they've got to - but if it's a not for profit itself it can't be a subsidiary right?

So the affiliate - is the affiliate is actually an understood legal link and it means that it has its own board thought. So whose bylaws would govern that board the, affiliates by law?

Holly Gregory: Correct. Yes you'd have to establish a new governing structure at the...

Chris Disspain: Right.

Holly Gregory: ...identity.

Chris Disspain: So then you'd either have to have ICANN - well, these are not the only options that you could have ICANN as the sole member of the affiliate and then you'd use all of ICANN's accountability mechanisms.

And when I say just for the avoidance of doubt in the room when I say ICANN's accountability mechanisms I mean all of the new ones that we're putting together.

You'd use all of those to effectively instruct the ICANN member to do whatever it is you wanted to do.

And the other alternative would be to have - well effectively to have the same structure as ICANN or you could have representatives of each SO and AC as members and do it that way but fundamentally that is right okay.

Oh, okay there was something else but I'll - if I need - if I remember it I'll come back. Thank you.

Lise Fuhr: Thank you Chris the next is Desiree.

Desiree Milosevic: Yes thank you. I wonder if it would be appropriate in your view if you can maybe walk us through all the models that we're discussing in terms of timeline?

What do you think would be these fastest most difficult most time taking option of all?

Because it just strikes me that perhaps having a membership option members would take a lot of time maybe even restructuring of how ICANN so I'd like to hear your views on that.

Sharon Flanagan: So our intention is after we finish the session on additional legal questions that we would then look at the seven models and as Jonathan mentioned see if there are any that are - that we think we can put a little bit on the back burner so maybe we can defer that till we get to that point.

And then we also wanted to talk about your goals and priorities. And you just mentioned speed and ease and maybe those are our goals. And we can talk about that.

In terms of what is simplest just to answer the question I think doing something that is internal is probably the simplest.

Probably not separating out into a new subsidiary affiliate is probably easier. So basically the closer we are to the existing structure with all the accountability mechanisms that's the simplest in terms of just implementation.

Now it might not be simplest in terms of how it would go look going forward but in terms of implementation.

Lise Fuhr: Thank you Sharon. And we discuss it's going to be a morning where we're trying to get the shape of the different models and legal structures so we'll try and have the questions now and then go into having Sidley doing some of their thoughts regarding the models later.

There was Konstantinos is - was on in the queue. I don't know he...

Konstantinos Komaitis: Yes. I'm here. This is...

Lise Fuhr: Oh yes.

Konstantinos Komaitis: Konstantinos but Desiree just asked exactly what I wanted to suggest that yesterday. Because there's so many legal issues we've had Sidley saying some models are more complex than others.

So perhaps some sort of a categorization for us to understand better that if we opt for the trust model for instance I heard but it's not recognizable in a lot of jurisdictions that by definition could create some problems for various governments.

So if we could get some sense of complex, more complex and possibly complex from a legal perspective I think that will help this group in order to start getting their minds towards which model perhaps they should start thinking. Thanks.

Lise Fuhr: Okay. Jordan you got a question (unintelligible)?

Jordan Carter: A quick comment and a question. I think that we have to accept that between us and the CCWG there's no simplicity here.

It might be conceptual simplicity but implementing any of the approaches that we're talking about is going to be complicated.

Simple is leaving the US government in the role it's got today. And that's one option we're not allowed to have. So simplicity is nice and should be as simple as possible but there isn't going to be a simple option.

The question I had in terms of these entities whether it's a contract co or internal bylaws or affiliates with a membership or whatever a lot of the concern that bubbles away as far as I can see is about this question of

controlling any of these new bodies, the fear that they will go and behave randomly or unaccountably.

And I've never been able to get my head around that concern because I've always seen these structures as having extremely limited purposes and being totally controlled by what everybody.

So a contract co would be totally controlled by the MRT in the model and affiliates operating the IANA functions would be totally controlled by ICANN as its member.

Is my assumption about total control ability crazy or is that actually what we - is it designable that there is that controllability in a legal sense?

Holly Gregory: So I think that there are ways to design it but total controllability I mean any new structure you create you have to make sure that you've addressed the same accountability concerns.

So then you have so with contract company - co you have the question what keeps the MRT accountable so any of these layers replicates the issue of accountability.

That doesn't mean we can't address it. But just like there's no total controllability of ICANN what's the total control - anytime you put a group of people together there's interest and there's it works and it doesn't work. And so we have to think about those accountability mechanisms.

I know that's not a great answer but...

Lise Fuhr: Well (Jon) and I agreed. I don't think there's any simple solution but there might be solutions that are more simple than others but every solution has their pros and cons but yes.

Jonathan Robinson: I have a sort of layman's comment as well. And I suppose control is all about corporate governance.

And corporate governance is what we will get advice on but not - it's never failsafe. You know, it's kind of you can - you build checks and balances but we all know from extremely high profile examples to more trivial examples there are.

So it's kind of, you know, corporate governance is the control you talk about but total control is unlikely.

So there's - I suppose that's where one has to have a degree of recourse or as - both sitting in the corporate governance mechanisms and being aware that failures may happen and then what you do in the event of some form of failure?

Lise Fuhr: Jonathan - Chuck you're next in line.

Chuck Gomes: Thanks Lise, Chuck Gomes. I think it would be really helpful to in concise form talk about the advantages and disadvantages of an affiliate versus a subsidiary.

No2 if that's better to talk about in the next session I'm okay with that. But and I'll let you make the call. But those two ideas were talked about quite a bit yesterday.

And if we were to kind of list the pros and cons of each at least at a high level I think that would be very beneficial.

Sharon Flanagan: Yes. I would suggest we talk about that when we talk about the structure that incorporates that idea.

Lise Fuhr: Okay be noted your question Chuck and Alan you're next in line.

Allan MacGillivray: Thank you Lise. It's Allan MacGillivray. I'd like to talk a bit or at least get more comfortable with constitutional bylaws.

I think a lot of the things we're going to be doing could rest on these. And what I heard yesterday was definitely possible and maybe we could maybe drill down a little bit about what is practical.

And even if you have examples or experience with this or aware of where it's worked in a very practical way in terms of trying to achieve what I think you quasi understand what we're trying to do I think that would be useful. Thank you.

Holly Gregory: So when we talk about constitutional bylaws were really talking about having some bylaws that are bored difficult to change than others.

So is difficult to have a board allowed to change bylaws. But often some bylaws on topics that are constitutional in nature that they're so fundamentally important you have higher standards you would require approval by another body whether it's a member body or is in this case it could be some kind of multi-stakeholder body that would have specific approval rights.

And then you can even do things like increase the threshold of the voting level that's required for that kind of approval. So this is done all the time in a corporate setting.

It's not unusual to have some bylaws that only can be changed with the extra approval of another body of members or shareholders or of some designated body.

And we can, you know, you would keep those for things for example, you know, a bylaw to change who can change the bylaws. That would be something that is so fundamental that to have a change would you would really want to make it quite difficult.

Another thing to do is you can put things in the articles of incorporation which can also only be changed by law by a more constrained group of people.

So there's just a lot of ability for flexibility here for you to decide what's so important that you wouldn't want it changed without a much broader consensus in the multi-stakeholder community that it was worth changing.

Allan MacGillivray: But could I just ask a small follow-up? Higher threshold I certainly understand what you're talking about conceptually.

But practically is do you go from flexible too impractical? In other words 100%, you know, so are there kind of tests or ideas in the community that say you really don't want to make it 100% or, you know, you - that's my...

Holly Gregory: Yes. So 100% I think would be very - I've never really seen that done. I mean and I can imagine there's circumstances but that's a kind of inflexibility that seems extreme.

But a super majority, either a 66%, 75% fairly typical as a threshold for those things that are so important that you want more than a simple majority.

You also have to be careful though because what you don't want to do is set up a sort of a tyranny of the minority where a minority can have undue blocking power.

So when you look at these thresholds you also have to consider are you somehow giving one group that becomes big enough as a blocking mechanism?

We have to look at all of that. There's some work involved.

And I do want to be careful about this notion about, you know, that you have to understand what the interests are and whose - where the voting power is to avoid that blocking power because that itself can give a huge power to a very, very small group.

Lise Fuhr: Thank you. And Chris you seem to remember your second question.

Chris Disspain: Well I started off remembering it and now I've got three other things as well.

So this is - I want to start with this little discussion going on in the list and it's probably my fault not listening properly.

But the articles you're drawing a distinction between putting something into the articles of incorporation and the bylaws right?

And then there's a - you changed the articles of incorporation pursuant to a bylaw or you changed the articles of incorporation by one method only?

Holly Gregory: Articles of incorporation are generally harder to change.

Chris Disspain: Yes. But you - but how do you change them based on what's written in the articles? Yes?

Holly Gregory: Right. And...

Chris Disspain: Right.

Holly Gregory: ...statutorily.

Chris Disspain: And statutorily okay. So there's nothing to prevent us from lifting legally speaking there's nothing too - might not necessarily be often done this way.

But legally speaking there is nothing to prevent us from lifting certain things that we had said would be golden bylaws into the articles of incorporation?
There is no restriction?

Holly Gregory: You have flexibility to do that.

Chris Disspain: Right. And then and there's nothing - is there - is it possible to have different thresholds for changing things in the articles in the same way that you could have a golden bylaw that could be changed by 50% another one by 60%, another by 70%?

Sharon Flanagan: Yes. I think you'd have a minimum of a majority. But you can do above that you would have flexibility on pick and choose whether certain things would be simple majority, certain things might be 2/3...

Chris Disspain: Right.

Sharon Flanagan: ...certain things might be 75%. You could...

Chris Disspain: And why would it be - why is it better to put them in the articles that in the bylaws?

Holly Gregory: I'm not saying it's better. There's some choices to be made. Sometimes you'll see where the articles can only change but a membership body. It's a more fundamental...

Chris Disspain: Right.

Holly Gregory: ...you know and you don't let the board ever mix with that at all.

And then the bylaws become something that a board can have some influence over changing.

Chris Disspain: Right.

Holly Gregory: So that's generally how it's aligned. But we could do this all through bylaws. It's I'm just saying that there is this...

Chris Disspain: Yes, yes.

Holly Gregory: ...other mechanism you can sort of, you know, really lock it down in the articles.

And the other thing is articles changes have to be filed generally...

Chris Disspain: Yes.

Holly Gregory: ...with the state so there's more...

Sharon Flanagan: Transparency.

Holly Gregory: ...transparency and rigor around any efforts to change that.

Chris Disspain: Right.

Holly Gregory: Well there's transparencies in the bylaws too but you don't have as many filing requirements.

Chris Disspain: What you're saying is that so I'm sorry if this - is this okay because I'm trying to build a picture here?

Yes okay. So what we've been talking about in the CCWG and it sort of come up a couple of times here is using the blocking power, blocking bylaws to say you can veto changes to the bylaw. Because the board can put a resolution on its agenda to change bylaw X and so on.

What you're saying is you can put it into the articles that there is a methodology by which the articles can be changed and that - and the one thing that that is not unless you say it is the board doing it?

Holly Gregory: Right.

Chris Disspain: Okay cool. So...

Sharon Flanagan: Let me just add Chris that...

Chris Disspain: Yes.

Sharon Flanagan: ...assumes you have members right? So if you don't have members it's the board...

Chris Disspain: Can you create - isn't this power under California law to create not members but...

Sharon Flanagan: Delegates.

Chris Disspain: ...what is delegates?

Lise Fuhr: Yes.

Holly Gregory: Or designators. And you - and there's different - there is huge amount of flexibility. You can have delegators, you can have designators.

Now I don't know if you can use those so that you're changing in the articles and we'd have to take a look...

Chris Disspain: Right.

Sharon Flanagan: ...at that. The bylaws you can do everything that you're talking about through bylaws...

Chris Disspain: Yes.

Sharon Flanagan: ...and through restrictions in the bylaws...

Chris Disspain: And that's kind of where I was...

Sharon Flanagan: Yes. You have great flexibility.

Chris Disspain: Okay. So that if you'll - if I - just can ask my question? I wanted to just sort of pick up on what Jordan said. So I agree there's no simple solution but I think simplicity is the key.

And I'm viewing this exercise and I hope I'm right if I'm wrong you'll tell me. I'm guessing that what you're doing is taking all of the input you're getting from us sort of juggling it all around and then you'll - we'll talk about the possible solutions, look at what the requirements are and you'll come up with a recommendation or a couple of recommendations or we'll work together to do that right?

So I wanted to pick up on what Jordan said yesterday about stewardship because I think it's really important. My view is that there are three things. There's the stewardship of the function, there's the policy and then there's the operation.

And my view is that the stewardship belongs to the community. I say that it belongs to the community through the ICANN model because that's what ICANN was built for.

And that new and enhanced accountability mechanism is ICANN, which is what we're working on becomes the body that has the stewardship and because of the controls that are put in place the community effectively has that stewardship.

The policy is already in ICANN no one is talking about moving that but the reality is that's also the community because if you look at the GNSO bylaws and ccNSO bylaws in reality that's where the policy is made.

There are protections in place to ensure that those policies are put in place effectively by the board. So again that's the community through the ICANN mechanism.

The third one the operational aspects and I say again it's currently run by ICANN, I want it to remain in ICANN but I can see perfectly logical reasons why the community should have the ability in certain circumstances to move it that provides their being ICANN still because ICANN has the stewardship ICANN still needs to be in control.

So that and when I say ICANN I want to be clear I mean the community. A lot of the time when we talk about this we say ICANN and we mean the board, we say ICANN and we mean (unintelligible).

ICANN is the community and what we're doing in the CCWG is building that community, those accountability mechanisms. So I'm sorry for taking a long time but I wanted to put that on the table this morning. Thank you.

Sharon Flanagan: Yes, you know, we were thinking about Jordan the comment you made yesterday and Chris that you just reiterated about this thinking about the three.

And so if you look at the stewardship piece as you were saying that's ICANN currently.

And so how do you address if there is a failure of stewardship how would you address that? And one way to address that is through changing the board I mean they are the stewards right?

And so if you have the power to change the stewards, the board you have the ability to address an issue at that level. Now if you have an issue and let's put policy to the side I think that's beyond the mandate of this group.

So let's take the third piece, which is the IANA function. So how do you address a failure at the IANA function understanding right now everyone is saying that's working beautifully?

That is through potentially, you know, the periodic reviews you've been talking about having some assessment of is the function working and the ability then to potentially bubble that back up to the stewards and say we think it's not working we need to change out that group.

And so we can talk more about it when we get into the model but we were talking before yesterday about ring fencing the IANA function so it could be taken out but then we started thinking well if the function isn't working why would you take it out?

You would address it at the stewardship level right? So that's sort of what we were thinking about.

Lise Fuhr: Okay, that's some very helpful thoughts. Jordan you said your hand dropped off was that or where were you in the queue? Do you want to...

Jordan Carter: I'm still here, still here that was after Elise I think so I'm happy to go where it is now I just got confused as to why it's banished. So just where it is in the queue now is fine.

Lise Fuhr: Okay so Avri go ahead.

Avri Doria: Thank you, first of all on the ring fencing I think there were two possible issues with ring fencing. One is that the IANA function needs to be replaced and therefore when it's ring fenced you basically can replace it with something else having been in a ring fenced subsidiary once that was replaced by another function I know how easy it is to say we're going to hire X instead of Y and it's a clean cut.

The other part of the ring fencing was if ICANN went broke and you needed to protect the IANA function from ICANN losing its mind, which is not totally beyond the path.

Now so that's, that was the other side of the coin of the ring fencing it's not only does IANA go bad. I don't think that many people are worried about IANA going bad I think they're more worried about IANA being in the midst of the ICANN mess and all of its different pulls not knowing.

And that brings me back to one of the things that are actually I'm having a confusion with in terms of the sort of relationship between accountability control and capture because the accountability being accountability to whom and that brings you into, you know, when is it control and accountable control and when is it capture.

In other words if ICANN is controlling it you could say well then it's been captured by ICANN because there is only one entity controlling it. And in fact that's what I think I've heard sometimes when I was going through some of your responses and you said well if there's only one organization that has control then that is a capture issue.

And so the relationship between those three keeps being very fluid in my head.

Holly Gregory: So the control and capture issues that you raise are really interesting ones. I mean when we were thinking about the capture concern or the notion we've got this multi-stakeholder community with a variety of interest and I thought the concern about capture was no one element of it having too much control.

So we were talking about - so I don't know how - I didn't think the concern was ICANN's capture because ICANN is the if you think of it as a multi-stakeholder group your concerns that one group could capture ICANN but you're not, shouldn't be concerned that ICANN is capturing something.

Avri Doria: Well that, I guess that's where I got confused because when you were talking...

Holly Gregory: Okay.

Avri Doria: ...about when we were looking at the models and talking about the models that had three members it was mentioned as something that was capturable by one of those members.

Holly Gregory: Right.

Avri Doria: But when we dropped down to just one member then it was no longer capturable.

Holly Gregory: But that's because it was ICANN that's because of who the member was...

Avri Doria: But the other two members are also multi-stakeholder groups.

Holly Gregory: Yes can I...

Lise Fuhr: Yes sure.

Sharon Flanagan: ...so I think the way we look at it is we sort of trace up, we sort of take the entity and trace up to say ultimately who is responsible. And so with ICANN if you trace us we say well it's the multi-stakeholder community putting in place a board that should be and will represent the many stakeholders.

And so on the - in the scenario where you have this subsidiary this entity that was controlled by three parties as we were tracing it up you get concentration that as you trace up to ICANN you get this diffuse, potentially diffuse multi-stakeholder group.

And the other two I don't have, I would defer to all of you but if you trace up through IETF, if you trace up through RIR's how - is that multi-stakeholder?

Avri Doria: Yes they're both multi-stakeholder organizations.

Sharon Flanagan: Okay well then that may address it Avri.

Lise Fuhr: Okay we have to be conscious of time and I know we're all having fun here but I'm going to close the line after Chuck. We're going to be very strict about that because we're going to talk about this all morning until lunch.

So we'll have time to discuss this. Now it's question time, Matthew you are next.

Matthew Shears: Thanks chair, just a couple of points. I think we have to be very careful about succumbing to the siren call of simplicity. I mean it's a very, it's a very appealing thing but we also have to be careful.

Yes, clearly less time, less cost, less complexity are very appealing but at the end of the day I think we have to really get back to what we're trying to achieve, what are the criteria and what are our principles.

And we have this one opportunity to get it right so if it is a little bit more complex and it does cost a little more these really do need to be taken into account.

I really do not believe that we need to be constrained by notions that quote on quote this is what ICANN was created for. So, you know, we may disagree on that I'm sure amongst us but I think we need to put that aside and really think a little bit outside the box.

And also there's this rationale that we need to really look at the accountability measures that are going to be put in place going forward. The problem I see with that is that these things are running in parallel.

We have no way of actually assessing those accountability measures. They haven't been agreed, they aren't in place and they certainly haven't been proven.

So to base assumptions that the IANA functions going forward can depend upon accountability measures that are being addressed in another working group that may not be in place by the time of the transition I think is also a little bit, it's something we have to be wary of, thanks.

Lise Fuhr: Thank you Matthew.

Jonathan Robinson: Just a very quick response and that's why the whole issue of conditionality and linking to work stream one and I've even talked with other about whether or not this is something, this is actually in a sense a question for the client committee and for legal as to what, you know, how entrenched can we make that conditionality.

So that's something that I'm personally thinking about and we need to think about but I take your point we're building, we have the prospect of building our solution and we rightly should on if we to believe the construct, which is that we deal significantly with the certain aspects of with the transition but we need to rely on other aspect of work but we need to be sure we can rely on it so I agree I take your point.

Matthew Shears: If I may being a member of the accountability working group I have absolute confidence that we will produce accountability measures that will enhance and strengthen accountability but I still think this is something that we need to have a certain amount of caution on, thanks.

Lise Fuhr: Thank you Matthew. We have Elise next in line.

Elise Lindeberg: Thank you good morning. I would just like to emphasize the importance of having the terminology right when you talk about ICANN and what are we

talking about when we talk about ICANN community, ICANN board, the ICANN Company as such because otherwise you can get it mixed up because if you say that, you know, what we're trying to do is to build some sort of mechanisms to bring the multi-stakeholder components into this position I think.

And if you say that okay we have the ICANN board and the ICANN board is mostly stakeholders so the ICANN board makes the final decisions on anything that those or comes when it comes to the IANA function I think that's too simple.

That's just saying keep it as it is. So we're looking for some mechanism that gives us more than that.

Sharon Flanagan: Yes and we can talk about when we talk about the models we wanted to talk through some ideas on how you would implement and we appreciate that the view is that it can't be just what it is.

And so potentially there is, you know, this periodic review team may be bubbling up to the board then maybe that is bubbling up to some community group so that there can be within that system measures of accountability but I appreciate that comment.

Lise Fuhr: Okay thank you, Eduardo.

Eduardo Díaz: Thank you, I have a question about the membership again. ICANN being (now) a membership organization and we talked yesterday about, you know, if you want to be a member you probably have to be incorporated things like that.

So I just wanted to have some clarification when you say that members, you know, needs to be incorporated now, you know, it brings to my mind budgets, bylaws, boards so I need some clarification as to what that means, thank you.

Holly Gregroy: So the concept around membership is that a member of an organization has to be a legal person. What's a legal person? A legal person is a human, a legal person is also a group that's recognized by law and incorporation and un-incorporated association but some entity that has a legal personhood if you will.

So certainly members could be easily people who are designated by informal bodies and those informal bodies are given rights to designate no problem. But if you wanted an entity to be a member it would have to be a legal entity.

Eduardo Díaz: And so (unintelligible) so that means that we need to be incorporated in this case like in California and (unintelligible) type thing I mean that...

Sharon Flanagan: You would need to create some kind of legal entity but on the most inform side that would be an un-incorporated association. Very minimal formalities would be required but you would have, you would create an entity and have - be then acknowledged and have legal standing.

Holly Gregroy: Or you would simply have existing groups in the multi-stakeholder community that are maybe not legal entities designate human beings as their representatives to be the members and then you would need no other legal formalities it's a very simple approach.

And those designating bodies would have the right to remove those members. So those members don't sort of take on a life of their own for all time.

Lise Fuhr: Okay, Jordan.

Jordan Carter: I just want to come back to your answer before, which is that you pointed out no entity is completely controllable. I completely agree with you and ICANN isn't completely controllable that's why we're having this and the CCWG conversation.

Isn't a normal approach to that the kind of separation of powers or (unintelligible) between different entities to deal with the fact that no one is controllable?

Holly Gregory: You can separate the powers between entities you can also separate the powers within entities. So there are a variety of accountability mechanisms and checks and balances that can be built.

I think, you know, both internally and externally.

Sharon Flanagan: And the other way that it would, you know, typically be addressed is by not necessarily having concentration of power in any one entity. So for example having, you know, a spreading out of power and rights across multiple groups or that no one can control.

Lise Fuhr: Chuck, the last question before we move into the next question.

Chuck Gomes: Thanks Chuck Gomes. A statement was made about board members representing stakeholders and I want to make sure we're all on the same page on that.

As I understand it ICANN directors do not represent stakeholders and I guess my question then since that's the case is there a problem with that does that need to be changed? Just so that we're all on the same page here.

Sharon Flanagan: That's a good point. So to be clear an entity could designate a director and make a choice as to who is the director that entity feels will be able to represent them and they think would make a good board member.

The board member himself or herself has duties to the entire entity, cannot represent one stakeholder that is just a matter of loss so you're correct about that.

So the power though comes then in the ability of the designator to say I've put you on the board, I actually don't feel that you are really now representing my interests and I will replace you. That's the power of the members to elect.

But once you're right once that person is sitting in that seat they have a duty to the entire organization they don't represent an individual stakeholder.

Chuck Gomes: So as I understand it now - this is Chuck Gomes again. I don't think in ICANN's bylaws that the designators are given that right to pull the board member back. Is that consistent with California law then?

Sharon Flanagan: It's because under the current as I understand the current governance the board - there are no members and so the board has the removal rights. And so the board can remove and correct me if I'm wrong on this you all probably know it better than I but the board can remove and then gives notice I think to the organization or SO or whatever was the entity that, you know, sort of nominated that individual but the board is removing.

Now in a member organization the member has the power and only the membership has the power to remove directors without cause. A board can always remove one of its fellow board members for cause but a board cannot remove without cause if that individual was designated or elected by a member.

Lise Fuhr: I actually closed the queue Chris.

Chris Disspain: Yes but my hand was up actually and then it went down again. What I wanted to - in all seriousness this is incredibly important because we use this - we have this discussion all the time and I'm really glad that Chuck brought it up because I was thinking about bringing it up yesterday and then I didn't.

So I want to be very, very clear about this. The problem is I believe the problem is that we use shorthand and legal, ICANN legal is constantly trumpeting the same thing, which is once you come on the board you are, you know.

The truth of the matter is actually much more nuanced than that. You have a fiduciary responsibility and you have a responsibility to the mission of the organization.

And how you interpret that responsibility is a matter for you as a board member. It is correct to say that the cc and I'm an elective of the ccNSO and it's correct to say that the ccNSO cannot tell me what to do or sorry they can tell me what they like but they can't, they cannot make me do what they want me to do if my judgment is that it is outside of my responsibilities.

It is also equally incorrect to say that I cannot do what they want me to do because if my judgment is that it is inside my corporate responsibilities I can.

So it's a really important point the board is not suddenly divorced from the people who put them there.

The board is still operating for the mission and it is and it can still, individual board members can still take input should they need to take input et cetera from - so have I got that is that right?

Holly Gregory: You have that I would say absolutely right and I think it is nuanced and there is sort of the practical issues. You're there, a director is there to use what's considered to be their independent business judgment.

And no one can direct them on how to vote and what decisions to make but you're able to take into consideration a wide range of interests in forming your independent judgment.

And part of that of course is going to be the concerns of the people who put you there. That can't be what determinations your decisions however you have to be driven by what you independently believe is in the best interest of the organization and its mission.

And that, you know, the concept part of the duty of the fiduciary duty is this duty of obedience to mission and that's why that mission that's stated in the articles of incorporation and then can also be fine-tuned and narrowed but not broadened in the bylaws is a really important concept in this accountability mechanism.

I want to clarify one other thing. I just want to make it clear I believe under the California statute and I just, I need to check this and how it interrelates with the current ICANN bylaws but designators typically can remove their, the directors that they've put on a board without cause.

And I'm not sure that that can be limited by the bylaws and if that's true that power is currently there but I just need to double check that.

Lise Fuhr: Thank you Holly and thank you all for some very good questions and I think this is very good to flush out all the different legal issues around the models. We're now going into the next session that we made the review and test of models.

And I think this is where we are trying to get the sense of where you are. And yesterday Jonathan and I got a pretty good feel that at least one or two models could be set aside or, well, meaning that we no longer work for them and we will only use them if there is a very good reason to do so.

We think this is a good opportunity to reduce the field of front - well to reduce the field of our front runners after the models and try and put some as back burners.

So a question is that we would like you to think about if you now have an opinion do you think any of the models could be set aside for the moment being?

And I know that Jonathan would also like to say a couple words.

Jonathan Robinson: There's not a lot at this stage it's really I mean if we're going to do a deeper dive and try and start to analyze pros and cons, think about our requirements and the constraints on any of these different solutions and think about where we might be prepared to compromise or modify a solution such that it still meets our core requirements if it was just a little bit of this rather than that.

It seems pretty evident that what we really need to do is reduce the landscape of possibilities. And yesterday it started to seem fairly clear that what one, two or even three might drop off that landscape of possibilities relatively easily.

So really what we want you to do is tell us what we can set aside here and what we should therefore then work within some detail. And once we've done that our idea was to go through, have Sidley take us through a reminder of those.

But you might actually like that beforehand just a quick sort of refresher helicopter view of the key issues. Would that be helpful in terms of perhaps trying to set aside one, two, three, four options at this stage?

Sharon Flanagan: Do you want to do that Jonathan?

Jonathan Robinson: Yes.

Sharon Flanagan: Okay so here are the seven, the current seven so and I'll do this at a high level more just as a reminder. The two external solutions the first is the Contract Co, that would be a new entity potentially another California non-profit corporation and that would, that entity would contract with currently ICANN but in the future whoever would be the IANA functions operator.

Bare bones if bare bones is possible as the Contract Co but Contract Co needs a board how do we decide or how do you decide on who the board would be.

The second external solution would be a trust to create a trust that would hold that property right. The right to contract for the IANA functions operator would hold that right in trust.

And the trustee in the external solution would be a board of trustees and you'd have to think about how you select that board of trustees. And then we talked and we can talk in more detail about who the beneficiaries of that trust be and then enforceability issues around the trust so that's the external trust.

So then moving into the two internal solutions there is the first is the accountability or the governance mechanism. That would be essentially the same structure but with additional accountability in terms of ensuring that both stewardship and on the IANA functions the actual operation itself that it's working and people feel that there's a mechanism if it's not working to change it.

The other internal solution would be a trust, create a trust within ICANN and have ICANN serve as the trustee and then potentially have some kind of guardian or trust protector that could replace ICANN as the trustee if there were some reason to do that. That's the internal trust.

Then we have the hybrid or the integrated model and as I understand there are three potential structures within that and I know we have the authors of that model so if I get anything wrong you can correct me.

But the first is to create an IANA subsidiary entity within ICANN that would be wholly owned by ICANN and ICANN would in effect be the only member of that entity and that entity would hold the IANA function so the people know how, the appeal all those things.

The second of the integrated models would be as I understand it creating, again creating an entity that would hold the IANA functions and that entity would be co-owned and again I'm using ownership not in a legal sense but co-owned by potentially ICANN IETF and the RIR's.

And then there would be shared service agreements that would address the actual contracting for services happening at the IANA subsidiary.

And then the third would be the - a true standalone entity, true standalone IANA operations that would as I understand it not have ICANN ownership at all that's at least that's my understanding and but hold again those same people and assets and the like.

So that's - those are I think the seven structures I don't know if there's anything anyone to add to that or clarify.

Lise Fuhr: Elise you have a question?

Elise Lindeberg: So we're saying that under the hybrid integrated model the standalone IANA and the entity will be no ICANN ownership at all. How is it (iterated) just...

Sharon Flanagan: Well and the way I've thought of it is that in effect it's sort of approaching it like Contract Co but moving something else out. I mean it creates the same structural issues, which is you've got to then replicate governance, you have an entity that needs to have governance.

Avri Doria: Yes. The general idea in all of those in terms of accountability was approaching the same kind of accountability that the IETF claims to have -- which is we have a contract, if we don't like it, we replace you. And so the accountability was between ICANN and IANA. So that's stand-alone IANA.

Now, it wasn't also necessarily, you know, how that was created -- how that was funded -- also would have had an investment model that would have had

a board model that would have had a more traditional -- whether it's venture capital or some other -- you know, type of accountability structure.

I'm not seeing that as a very likely choice at the moment. But that was the notion that its accountability was based on having three contracts with the various -- or even one contract alone -- but that that contract was the same notion as the IETF.

In fact, the hybrid model was part of the rationale, and it was to give ICANN that same kind of power over the IANA that the IETF has -- the ability to have a contract with it and the ability to say, "This is no longer working. We want to take our business elsewhere." And then to move the function -- the IANA function -- to a different entity just like the IETF claims it can now.

So that's sort of the point in any of those that by having that ring, you know, the ring sensing -- by creating it -- you've basically made it something that is accountable by virtue of having to meet a contract with an (SLA) and that ICANN gets that ability just like all the others have it now.

Lise Fuhr: Thank you, Avri, for that very helpful clarification. Olivier, you're next.

Olivier Crepin-LeBlond: Thanks very much, Lise. Olivier Crepin-LeBlond speaking. I have a question regarding the list that you have here. So we have three, five -- we have seven different options. And I'm a bit confused here because there are two external solutions, two internal solutions. Are you saying there are three hybrid integrated model solutions?

So a stand-alone IANA entity sounds more like an external solution at that point.

Sharon Flanagan: I think in some ways it is. That's why I was analogizing it to a Contract Co. but with a different - it's serving a different purpose, but has all the same issues as funding, maybe more. Actually, more issues because it would actually have people. Right? Contract Co. is meant to be barebones -- more of a legal entity -- not an operational entity.

Lise Fuhr: Well, we have - no, Alan, you're - and then Jordan.

Alan Greenberg: Sorry. I had forgotten about the computer. It would be - just to follow on that discussion, it would be a separate entity, but -- presumably -- as an affiliate of ICANN explicitly controlled through some mechanism ICANN designates -- either members - either as a membership organization where the members may come from ICANN directly. It doesn't have the disconnected part from ICANN.

Sharon Flanagan: But isn't that the first variance? Isn't that the model where ICANN is the member?

Alan Greenberg: Yes.

Sharon Flanagan: Okay.

Alan Greenberg: Okay. Well, ICANN is the member...

Sharon Flanagan: (Unintelligible) the third...

Alan Greenberg: ...or there be multiple members from parts of ICANN or something like that. So it doesn't have the - the issue with - one of the issues with Contract Co. is you had to control it through a multi-stakeholder body. But that couldn't be ICANN because we might want to separate it from ICANN. And therefore,

how do you make sure that body is not taken over and co-opted, and we don't have that same problem as an affiliate of ICANN.

So it removes one of the great instabilities of Contract Co. without removing the corporate separation.

Lise Fuhr: Okay. I think those are very helpful comments and questions. But I'd like to remind you the intention was is there any we can take off the table or put at the back burner at this stage. And I see there's two more online, and then Jonathan might want to - yes.

Jonathan Robinson: Okay, so just before we go through the queue -- just to emphasize Lise's point -- we're going to go through a detailed look at strengths and weaknesses of those that we want to look at. There's no doubt. So there'll be plenty of chance to advocate, discuss, analyze.

But really, before doing that - and I think there's really two things. I mean I'll put it out there. I mean I heard - my sense was pretty clearly that - for the trust issues coming out yesterday.

So I think what we're really saying is can we drop the two trust options? And secondly -- and this might be something that, you know, Avri and Matthew and others who either advocated for that hybrid integrated model, who have got behind it -- but we discussed this in quite some detail at a meeting -- not absolutely extensively. But we spent a couple of hours or an hour and a half going through it.

And I thought that we got to a point where one variant bubbled to the top of those. So I would questions whether you will -- at this point -- the advocates of that model -- or anyone else -- is willing to suggest possibly dropping off

one or more of those variants to then subject the remainder to detailed scrutiny.

So that's the really the question on the table right now. And then as soon as we can get past that, we can then really dig into them and really start to pull it apart and scrutinize it relative to, you know, pros and cons, requirements and constraints. And we'll probably get (explain) to help us with that to capture that information.

So that's really what we'd like to achieve right now. And maybe we'll even let you have coffee after.

Lise Fuhr: Only maybe. Oh, yes.

Jonathan Robinson: The horse training is beginning.

Lise Fuhr: Okay. We still have the queue. So Jordan, you're next.

Jordan Carter: It's a kind of question about categories, so taxonomy. I still think that there are two different kinds of models in that list of seven. I think that the top four -- the external/internal decisions -- are about the stewardship piece. They're about who can decide who is the IANA functions operator.

And the bottom one is about who operates the IANA function. Is that an accurate characterization? Because I often get no's from the people who designed it, but yes from the people who didn't design it in answering that question.

And if they were separate, I think that there does need to be a decision made by the CWG in terms of what level of function or structural separation for the

IANA operations is required as part of this model -- to (bright line) things, to make budgets clear, to make HR separate, whatever -- as well as the stewardship piece.

So I just wanted to put that there because it might mean that we can focus our attention on the top four slash two first, and then deal with the other bit later.

But I see Avri shaking her head, so maybe this wasn't helping at all.

Lise Fuhr: Well, Avri, you're next in line. Okay.

Avri Doria: So first of all, I believe that the last bullet is indeed a mixed model because the top model basically has sort of gone and sort of said, "We will do an RFP for a new provider." So we've kind of at least logically separated the provider as something that we do an RFP for every couple years to see are we going to find a new operator.

The external solutions, so in other words, in terms of building - you know, in terms of building the hybrid, it basically looked at that solution being really purely external -- that even if ICANN is doing it now, we can stop ICANN doing it by doing the periodic RFP.

So that was fully external in my sense. Even if the contract wasn't, the operation was something that we could remove as external. The internal kept it in.

What we tried to do in the hybrid was basically sort of externalize that reaction by -- and I like the term that they've been using yesterday -- by putting a ring around it, but keep it internal by using the affiliate notion.

So therefore, I do not see it as fully externalized like you're sort of dealing with a division between they're either internalized or they're externalized. That is both of them because while it's got a ring around it, it's still internal to ICANN -- certainly at the moment.

I wanted to get to answering the question -- pardon for my voice. I've probably talked too much. As before, getting involved in the hybrid model was one of the earlier purveyors of trust. And certainly, I think that they're easy to drop -- both in the external version and the internal version. And I participated in discussions on both of them while I was still sort of a trust person.

And your explanations have convinced me that, you know, the trust is one of our least viable solutions -- though possible.

And personally, looking at the hybrid integrated model, what -- and I think Jonathan's right -- we built the stand-alone configuration of it -- and I think it's one model with several configurations -- just to show that that was possible, never really believing that that was where we'd be going with it, but just to show that that was a configuration that could be reached.

Once we got the feedback from the other two communities that they weren't likely to want to share in the affiliate -- certainly not at this point -- the notion then was to sort of - let's try and find a method that has it as an affiliate of ICANN at this point, but left the door unlocked so that -- at some time in the future -- if they decided there was value in participating as a member as opposed to just an ICANN client, they would.

So I think that that middle option -- the shared services agreement with just a single member, but the option for other members -- is the one that I think bubbles to the top. Thanks.

Lise Fuhr: Okay. Yes. I was getting a lot of information. Thank you. Thank you, Avri.

And so the bubbling to the top were the shared services.

Avri Doria: Services with a single original member.

Lise Fuhr: With a single original member. Thank you. Yes, because that gets us back to what we're - asked you for to try and have the frontrunners and separate those as - yes. So now -- yes -- now we're down to three because -- as I see in the - in the chat, it looks like the trust is going to be on the backburner. So unless anyone is objecting to this... I see Alan.

Alan Greenberg: No, I'm not objecting to the trust. But I'm questioning Avri saying that the middle - I think you said the middle option is the one bubbling to the top of the three. Did I hear correctly?

Avri Doria: Can I - I just grabbed the mic and didn't ask first.

Lise Fuhr: Just answer that quickly, yes.

Avri Doria: Right. But basically, this was the first version. In the second version of it, what you basically have is a second degree hybrid -- if I can be so presumptuous -- between the first two options of the hybrid integrated model where it's a shared services agreement in terms of definition, but it's only got a single member affiliate.

Alan Greenberg: Yes. Okay, yes. That is what I understood. My recollection from yesterday is the comments from our legal group is that model was particularly problematic for some reason. I don't remember the details. That is, not with one member, but if we got more than one member -- and particularly two -- it's a problem.

Lise Fuhr: I think we should get into the details later because I think it's very important now that we try and sort out what models do we need to concentrate on in the next couple of hours. And so now, for me, it seems settled that the trusts are on the backburners -- and external solution and in the internal solution.

Further on, I hear that the hybrid integrated model has a IANA shared service Version 2. That's an integration of subsidiary and shared services. So that's fine. So now we're down to three models as it stands. Any in opposition to this?

And I see there is a line. Is that a line to comment on any models, or is it - should we take that later?

Man: Can you just list the three models please?

Lise Fuhr: Okay. The three models that we go along with is external solution Contract Co., internal solution accountability mechanisms, and hybrid integrated model shared service agreements Version 2 because it's not as it was presented on the meeting in - I think that was in February. So Avri...

Avri Doria: (Unintelligible) respond to the comments we got in February and moved to (unintelligible).

Lise Fuhr: Yes, and you moved on.

(Jonathan): The brief clarifying point to that, I do think it's really important that we nail down what that is. We don't need to do it now. But when we start the next session, just we summarize exactly what the core components of that are because I wouldn't like us to think we're discussing a previous variance that I'm sure (unintelligible) and the proponents will be able to work together and get that right.

Lise Fuhr: Okay. I see we have a line, and we can go through this very quickly. And then we get into the other discussions. Okay. (Jonathan) is being really nice. He wants to give you coffee after this. Well. The deal is done. Okay, so I have - I close the line after Alan Greenberg, and then we have coffee. So that's your incentive to get this done quickly. Okay. Greg, go ahead.

Greg Shatan: Thank you. Greg Shatan for the record. A lot of this - I'll be brief because I think we've just said what I would have said anyway.

With regard to the hybrid integrated model, it just seems to me that we're -- rather simply -- it's a subsidiary or affiliate of ICANN that will hold the IANA functions and that receives its various services through a shared services agreement so that it doesn't have to have all of its own stand-alone employees to perform various collateral functions. So that it kind of nests within ICANN, but is separate.

So that all seems fairly clear to me. So if we just kind of mush together the first two under a hybrid integrated model, that's the third option.

So in a sense, these are options we've had - the Contract Co. and the hybrid integrated model -- Number 2 -- are almost what we've had since the

beginning or before the beginning. I think at one point Milton Mueller might have proposed an external IANA subsidiary.

So I think now - and I would just - I don't think Jordan's kind of taxonomy is quite right. I think ultimately these all deal with both stewardship and operational issues. It's just kind of we've managed to identify them by distinguishing features that feature different things. It's like calling one person long-nosed and another person dirty feet. It doesn't mean that they don't have all those features.

So I think we just need to look at how these things will best work.

Lise Fuhr: Okay. Thank you, Greg. I don't think we should get into the details about the models now. So just - we have Elise, you're next.

Elise Lindeberg: No, I agree. We shouldn't go into the details. But I can say that Greg cleared my thoughts. So I would withdraw. Thank you.

Lise Fuhr: Good. Then we have Desiree. You're next.

Desiree Milosevic: I think you - I just wonder whether we can actually go down to two solutions because -- in my mind -- when I read internal solutions and all the accountability mechanisms that we need to put in place, these mechanisms are not going away.

So what I actually see is the Contract Co. plus accountability mechanisms and IANA shared services agreements plus accountability mechanisms. So I wonder if we could - if I'm the only one reading it wrongly.

Lise Fuhr: Well, I think that will be the - discussed during the next session. So I think there's no consensus regarding that. So we have consensus for getting down to three models, and I think we should get into more substance regarding the different models before we go further.

Elise, yes.

Elise Lindeberg: I'm saying -- just as a comment -- that on the options, (unintelligible) on the table -- the (unintelligible) is on the backburner. We should do something about the affiliates.

Desiree Milosevic: That was Greg's comment -- that you can put them together, like in one model. So you cannot put it in redline. Sorry.

Lise Fuhr: Well, it's a matter of words because we're going to - it's a merged model, and this was the clean model from the beginning. And it's not - actually, all three are out. We're having a fourth. That's the merge model. But...

Desiree Milosevic: Lise, this is legal. This is not a detail. Okay? You can't just take it out. Sorry.

Jonathan Robinson: Elise, I think that goes to the point I made. At the beginning of the next session, we need to define exactly what we're talking about. It's kind of done in shorthand, so your point is right. It's shorthand in the chat at the moment because it's (late).

So what we need to do is at the very beginning of the next session is clarify exactly what we mean by those three. So I think it's a point well made.

Lise Fuhr: Okay. Thank you. And we have Alan Greenberg.

Alan Greenberg: Just a very quick comment before we break for coffee, and I won't keep you long. The internal solution with accountability -- factoring in the concept of an affiliate for a bankruptcy protection -- not necessarily done at the time of transition, but later -- starts becoming very much like the third option. Just to comment.

Lise Fuhr: Well, thank you for this. And now we break for coffee, and we will be back in ten minutes. Fifteen. Oh, my God. You guys are having a holiday here. A quarter to eleven...

END