

ICANN

Moderator: Brenda Brewer
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Coordinator: The recordings have started.

Marika Konings: Thank you very much. Good morning, everyone, afternoon or evening.
Welcome to the CWG Stewardship Webinar briefing on the 7th of May at
0600 UTC.

Please remember to mute your phones and lines when you're not speaking.
After the presentation there will be time for questions. You can either do so by
raising your hands in the Adobe Connect room or by posting your questions in
the chat preceded by Question so we can keep clear track of those.

And with that I'll hand it over to your host for today, Lise Fuhr.

Lise Fuhr: Thank you, Marika. Hello, everyone. My name is Lise Fuhr. I'm one of the
two co-chairs of the CWG. Together with the other co-chair, Jonathan
Robinson, we're doing these two webinars. We've done two before this but
this is a chance for people to read the draft and ask questions. So we have -
yesterday Jonathan did one webinar and I'm doing the second one.

I'd like to remind you there'll be transcripts of these webinars and these will be translated.

Well, this webinar is going to be a short presentation, not a very short one, but like half an hour of the actual proposal. And we might go through the slides a little faster than we did the first time or I did the first time and then give you some time for Q&A.

But it's good to see we have 22 on the call. And oh - went down to 21 but I hope you will ask a lot of questions after this. We'd like to give you this as a possibility to be as informed before sending in any public comments that we have coming up soon.

Well, the CWG Stewardship group is part of a process, as you can see on this slide, ICANN - when NTIA announced that they would hand over the stewardship of IANA formed the ICG and the ICG is going to send out a request for proposal. And that was sent out for three groups, for the three communities that are involved with IANA.

One of them is the IANA plan, that's the IETF, that's the protocol community; we have the CRISP - the CRISP Team, that's the numbering; and the CWG group is the naming community.

And whereas the CRISP and IANA plan already have submitted their proposals to the ICG the naming community had to delay our timeline and postpone it so we hope to send a draft proposal to the chartering organizations by early June.

But the ICG will actually compile the responses from these three groups into one proposal and send that to the ICANN board. That will pass it on to the

NTIA. It's important to notice that the NTIA has underlined that they will not accept a proposal that doesn't have consensus. So it's very important that the chartering organization from the CWG Stewardship accepts and sign any proposal that's going to be sent to the ICG.

There is also, as you can see on the slide, a linkage to the CCWG as part of our proposal is dependent on the Accountability team.

I can see there's a question that's regarding the slides. It's actually me driving the slides, Pam Little. And I saw that it's - I tried to fit it to the screen now. Thank you.

Well, the goal and the scope of the CWG, that is to actually produce - it's actually to produce a response to the IGT that meets the needs of the naming community. And this is the community where the gTLD and the ccTLD registries are direct customers.

But as you can see, we have the CWG Stewardship chartering organizations and those are the ccNSO, the SSAC, the GNSO, the ALAC and the GAC. So while meeting the needs of the direct customers we also need to have consensus from all the chartering organizations. And as it's been said, the scope from this group is limited to the naming community only as others have already worked and submitted their proposal.

Our group has based our scope on the NTIA IANA functions contract where there's 11 functions that are outlined. And we found that 9 applies to the names. And those 9 are on this slide with a little bolder characters. So this is, for example, manage root zone file, changes requests, it's performed administrative functions with root zone management. Its implement changes

in the assignment of country code level top level domains, etcetera. So it's - these functions that relate to the naming community.

Well, our timeline and progress to date, as you can see it's been a long journey for all. We have a lot of people that invested a lot of time. Since many of you might have seen this slide I'll be very quick with it. But what's important is that we have actually been having two face to face meetings and we have had two ICANN meetings since this process started.

And as you can see we sent out the first draft proposal in December. And the response we got from the first public comment in December was that the model we were working on was too complex. People were very happy with the IANA functions. And people needed more detail.

So what we've tried to do in this draft proposal that we sent out to public comment is to accommodate some of the wishes for details on the more operational sides of the IANA function.

Let's see, yes, and where we - where are we going now? We have been working, as you can see, coming out of the Singapore meeting, we came out with seven models. We had that built into two models. And finally we decided on one variation.

Whereas the first proposal that we sent out was an external to ICANN model. We have changed this and this is also on behalf of the public comments that people would like to see the IANA function within the ICANN structure.

So the model we have converged into what actually trying to meet some of the - some of the needs for having some separation of the policy and the actual functional part of IANA and also trying not to take this outside of ICANN.

So when we reach April we could send out a proposal that would - that was meeting one model and having actually a lot of dependencies to the CCWG that I'll discuss in the next slide.

While we were doing this convergence of the models we would also get legal input from Sidley Austin, a legal company that we chose. The group formed a client committee and that client committee has the contact with the Sidley Austin lawyers. But we also have Sidley Austin participating on meetings. And it has been a very good dialogue between the whole group and the actual - the lawyers so it hasn't been a one-way communication, it's been a dialogue between the two parties.

And all the client committees meetings, the client committee's consisted - the co-chairs and Greg Shatan and Martin Simon they're - they're recorded and everyone can listen to the recordings and see the emails so it's open and transparent what's been going on in the client committee.

But furthermore Sidley Austin has been chosen by the CCWG group as part of their legal advisors. They have two, they have another company too. But it has been a great advantage to have Sidley knowing the setup of the CWG on IANA Stewardship Transition and having them know the CCWG work and being aware of what's going on in both groups.

So the linkage with the CCWG is that we have, as you see, two groups that are formed and one is our group, the IANA Stewardship Transition group, and the other one is the group - the CCWG group which purposes to enhance ICANN accountability.

And as is aid the CWG proposal is conditional on the work that needs to be done by the CCWG, by the accountability group. And why is this? Well, the CWG, the IANA stewardship group has special more link than the other groups within the ICG, well because ICANN is the policy body for domain names as well as the current IANA functions operator.

So the chairs have acknowledged this early on, the chairs of both groups. And we have - we have coordination calls every week. And instead of doubling the work the CWG and the CCWG have worked hard to communicate and coordinate the work within the two groups by we're actually having a lot of people that are in both groups.

It is, as far as I know, a number like 70 people. So it's quite a lot. And it's good to see that linkage between the group is also secured by having members in both groups.

So the CWG stewardship has recognized some areas that we have made conditional on the CCWG. And those are seen on this slide. We have four areas, one, is the ICANN budget. It's been very important for us to ensure in the future IANA structure that the IANA functions are adequately funded.

It's also very important that these budgets are transparent and specified enough so we can see what part of the ICANN budget is used on the IANA function.

So we have those two recommendations, one saying that the IANA functions comprehensive costs should be transparent for any future state of the IANA function. And the other one saying that future fiscal year ICANN operating plans and budgets, including fiscal year '16 if possible, should include a

minimum itemization of all IANA operational costs down to project level and below as needed to the project level and below as needed.

Well the CWG has also submitted those recommendations for this current fiscal year budget public comment. So we have submitted those two recommendations for what is public comment period.

Another one is the community empowerment mechanisms and here it's important that when the IANA review function, as I will show you on a later slide, makes a recommendation it has to be considered that the recommendation is taken - it has to be ensured that the recommendation is taken seriously and if not the community needs to be able to review that board decision and possibly take action.

Another one is the review and redress mechanism. And that is that we need to incorporate the IANA review function in parts of the fundamental bylaws of the ICANN board. So we need to ensure that this is something that's secured by being a part of the fundamental bylaws.

And then we have the appeal mechanism where there was a design team for this group that took up to investigate if the ccTLDs would need a special appeal mechanism for the delegation and redelegation. That group concluded that there is no CWG work nor CCWG work needed on this issue. It will be dealt later with by the ccNSO for the ccTLDs.

But it's important here to notice that gTLDs are still interested in having an appeal mechanism. So this is one of the points where it's important to notice that there is a difference and a different need between the gTLDs and the ccTLDs.

Well coming out of the Singapore meeting we had a lot of - not a lot but we were criticized of not being operational enough in - or not taking the operational part into our work. So we decided to work with design teams in order to chop up the big part of the proposal that seems to have a lot of issues flowing. And we formed some agile design teams that would work on specific issues and get back to the group and the group would discuss and conclude on it.

And this is the outcome of these - of this idea. You see we have 15 design teams proposed. Jonathan and I as co-chairs, gave those priority. And as you can see Priority 1 most of those are completed. We still have some of the design teams that are outstanding. We are actually still working on those at the same time as we're having this public comment period because we think it's important.

And the design teams that had Priority 2 most of them we could conclude that they were covered elsewhere or they were not needed for the actual stewardship transition.

So having those design teams helped us actually reach the model that you see on the next slide. That's the slide shows two parts; on the left side we have the current status with the NTIA and the right side has the proposed future status within the CWG.

And as you can see today, NTIA has a contract with ICANN and IANA is an embedded function within ICANN. And NTIA has the other side of IANA and ICANN.

The post transition - and I'd like to stress that this is a symbolic presentation of actually the fact that the PTIAs is the structure that we propose is a legally

separation of the entity IANA. But it is to be a wholly owned subsidiary of ICANN. It's an affiliate.

The idea is of course to - is to have a lightweight internal board but this has not been concluded and it's a part that's been under discussion. It's very important to also underline that here the IANA function stays within ICANN. This structure is of course very important but the details are also very important. But coming out of the first public comment period people were very satisfied with having IANA as the operator. They're satisfied with the work and also the - that it stays within ICANN.

But the actual intention by having this structure and the rationale behind it is to, as you see, first it's possible to have the contract between the ICANN and the IANA function. Furthermore, this structure captures - actually enhance the functional separation which has been raised by some of the public comment answers too.

So in this way we can kind of ring-fence the IANA function and that is also of course important if you want to have future separation. And here it's important to also notice that the group has focused on that we have continued continuity as ability of the operations and that any future separation would need to be in case of a very extreme and absolute last resort when all other possibilities are exhausted.

But in case of, for example, repeated performance failures on very serious issues, it would be possible to separate the IANA function because it's more clearly defined.

More - but as I said regarding this legal separation it is - one of our premises is - was that the customers are satisfied and they want the IANA functions operator to remain within ICANN. So this is the premises for this model.

And as you can see we have a Customer Standing Committee and that Customer Standing Committee is supposed to be composed of direct customers, the gTLDs and the ccTLDs. And there could be liaisons with IANA and other as well.

But these - this group, the Customer Standing Committee, will monitor and ensure the services of IANA. They will monitor the service level agreement or expectations. And they can escalate if they see that there is not a good enough performance and if there's no reaction to their communication with IANA they can escalate this through the accountability - the accountability mechanisms and they can trigger a special review.

And this special review can be triggered by up to the IANA functions review that we propose as a separate review team. And there will be two types of review, there'll be the periodic review where we suggest that the first one takes place two years after the transition and then the plan is to have one every five years.

But it's also important to notice that this IFR is not limited in scope or span of review and it can be - it can trigger a review at a earlier time if needed. And one of the outputs of this of course could be a recommendation for separation.

The IANA functions review team reports directly to the ICANN board. And it's ensured by the accountability mechanism if the board doesn't react to this report.

So the - you see the orange dotted line and that's the symbol of the work that's being done by the Accountability team. And as you know, they have sent out their proposals for public comment this week. And it seems that they have taken into account all the dependencies and requests that we have made for accountability measures that we need in order to have the IANA stewardship transition.

So it is very clear that our structure is very dependent and very reliant on the output of the CCWG in relation to both empowerment and also the review and redress functions that we need - that having those review functions and escalation procedures.

So what are the road ahead? We have - we're in the middle of a public comment period that closes on the 20th of May. That gives only 28 days to comment on this proposal. But because we are working under a lot of pressure we needed the time to actually work with the public comments in order to have a proposal sent to the chartering organization by the 8th of June.

And then it will give the chartering organization 17 days and - to deliver a proposal on the 25th of June to the ICG. This will also allow the chartering organizations to have a dialogue during the ICANN meeting in Buenos Aires.

And as I said earlier, we are working on the outstanding issues. And some of this is of course - there's been a lot of discussion about the PTI board. And we know that discussion is about should it be an independent board or should it be an internal more classic board for this kind of affiliate.

It's not been decided yet on this. And we need to actually decide on this board construction. But it also important to notice what are the functions of the

board, how much power will this board have according to the IANA function. And we need to decide on this too.

By having an independent board it's important to notice that this will need some further measures on the accountability whereas an internal board is easier since the accountability measures are built in the ICANN function as it is.

So this was very quick walk through the slides. So I will open up for questions now. And I will stay on the slide regarding the model because I think that slide is better to discuss or ask questions now. Okay, is there - I don't know - I haven't seen if there's any questions in the chat or? You're also, as Marika mentioned in the chat, feel free to raise your hand and ask a question or type in a question.

Pam Little, go ahead. Pam?

Pam Little: Hi.

Lise Fuhr: Hi. Go ahead.

Pam Little: Can you hear me?

Lise Fuhr: I can hear you now, yes. Now I can't hear you so.

Pam Little: Sorry about that. I hope you can hear me now.

Lise Fuhr: I can hear you now yes.

Pam Little: Great thanks, Lise. Sorry for posting the question because there's something wrong with my Adobe Connect room and I wasn't seeing the slides moving. Anyway I had to re-log back in.

I have a question about Slide 9 where you have a - some diagrams and a couple footnotes. Footnote 1 said the ultimate accountability mechanisms is dependent on the work of the CCWG Accountability, which is that one linked to? Which structure or - is that supposed to be IFR?

Lise Fuhr: Thank you for that question, Pam. It's actually - it's actually the whole orange dotted line that's - because it is all our accountability mechanisms so...

Pam Little: Okay, thank you.

Lise Fuhr: And I see a question in the chat from Peter Van Roste, "Where is the CSC sitting? PTI? ICANN? Who provides support?" That's a very good question, Peter. And it hasn't been - it hasn't been that detailed yet. Having this, on the slide it looks like it's outside ICANN.

I would think, and this is mostly my personal view, that it's funded and sitting within the ICANN structure. But it hasn't been decided so this is nothing to take for anything. But in order to have this as easy as possible that could be a solution. Thank you.

Any other questions or remarks? And while Peter is asking where the CSC sitting and where it's talking about not being too complex. One of the comments or main comments from the first public comment period on the first proposal was that it was too complex and too much outside ICANN and there was a question regarding the funding and issues like that.

And I think with this we will try and keep it simple but we still have some details that we need to work on. And Peter raises a very good question so - but whereas the - one of the, I don't know what to call it, premise was and a wish from the community was to keep it not too complex. It would be good to - that's from where we were try to keep it not complex.

A question from Jordan saying, "Is it fair to say that the first proposal put the stewardship role in an external company but that the second proposal puts the operation of IANA in a separate company?"

Yes and no. I would say it's fair to say that the first proposal put the stewardship in an external company. I agree with that. But the second proposal puts the operation of IANA in a separate company, it's in a separate legal structure because you might have - you might have shared functions like HR and other that could be shared. But you would need to have the legal separation here is important and that would give that structure a better form or you would have that entity clearly defined in case of any separation. And it's also that it enables the actual contract between the parties.

And Greg is saying, "PTI is an affiliate of ICANN so it's within the enterprise." And Holly is saying, "Lise, the word you use is subsidiary." It is a kind of subsidiary. It's within - it's not a real subsidiary because there is a legal things about it being a not for profit and so you can't as far as I know call it a subsidiary.

Peter Van Roste is saying, "Well the initial (SOW) for PTI be a copy of the current - with the NTIA and if not who will decide on it as the (FIR) team only meets every two years."

Yeah. Oh I just got a - Jordan's hand is up. I'll get back to you, Jordan, sorry.

Well, we have made actually the contract between NTIA and ICANN. We have made a section on - and also made some recommendations. We made that in the RFP 1 or 2, I can't remember, where we sorted out what parts we think should continue and what parts not needed in a new agreement.

And it's actually one of the outstanding issues who will decide on this. So it - I think the question will be, no I don't think it will be a complete copy. And I think we will - we need to decide on who makes this contract.

And Jordan, your hand is up. Go ahead, Jordan.

Jordan Carter: Thanks, Lise. It's Jordan Carter here for the record. From what you said in answer to my typed question in the room it seems that the key advantage of affiliate company model when things are going well is that there is a bright line of decision making, if you like, that the IANA functions do have a separate governance structure.

And so it's more likely that decisions will be made that the chain of flow, say, from a policy decision that comes through an SO gets rubber stamped by the ICANN board will then be very clearly handed across and that the affiliate will be bound to perform the SLA developed.

And that the advantage if things go wrong is that the IANA functions are bundled up in one legal entity so that if there's a need to separate to choose another operator that can easily be done. Is that a fair characterization of why the model is preferred by the CWG? Or are there other motivating factors for this choice that people should be aware of?

Lise Fuhr: Thank you. I think most of this is we have, as you say, we have an easier way to make a contract and also you have the IANA function bundle up. To - well those are the main advantages of this model. And of course, as I said, this is also enhancing the actual functional separation between the policy and the operations. So having a legal entity makes that even clearer.

Jordan Carter: Thanks, Lise.

Lise Fuhr: Yeah okay, thank you. (Ishwan)? Sorry, I have a hard time pronouncing your name but go ahead. ~~(Jan Wan)~~Jian-Chuan, you're next.

~~(Jan Wan)~~Jian-Chuan Chang: Yeah, ~~(Jan Wan)~~Jian-Chuan.

Lise Fuhr: ~~(Jan Wan)~~Jian-Chuan. Sorry, sorry.

~~(Jan Wan)~~Jian-Chuan Chang: Yeah, it's (~~Jan~~Jian) like John, ~~(Jan Wan)~~Jian-Chuan. Okay can I go ahead?

Lise Fuhr: Yes please.

~~(Jan Wan)~~Jian-Chuan Chang: Yeah, just wonder whether IETF and RIR should enter into agreement with PTI or with ICANN?

Lise Fuhr: Sorry, could you please ask again? I missed the first part.

~~(Jan Wan)~~Jian-Chuan Chang: Yeah (unintelligible) there are three users of IANA function, right, so ICANN enter into agreement with the PTI it's understandable. Just wonder IETF has parameter user in the RIR as number user. Will they enter into agreement with PTI or with ICANN?

Lise Fuhr: That's a very good question, thank you. And actually when forming this proposal we were very aware that there were numbering and also the protocol community. While we have been very cautious not to presume anything regarding those it's not - this will not be in any - it will allow them also to enter into a contract with either ICANN or whatever PTI. It will be dependent on what is the structure going to be and what are the - what are the wishes of the different RIRs and IETF.

So it's going to be - it's not prohibited that they can't contract with either ICANN or PTI but it's going to be part of their choice and it is built in that this is - it's an absolute possibility and it's needed because we know they're dependent on the IANA functions too or a part of it - part of the customers.
Thank you.

I don't know if I made it very clear but...

| ~~(Jan Wan):~~Jian-Chuan Chang: Okay thank you.

Lise Fuhr: ...it's possible.

| ~~(Jan Wan):~~Jian-Chuan Chang: Okay.

Lise Fuhr: Okay. Holly, go ahead.

Holly Raiche: Thank you. I'm just looking at Jordan and Greg and I think from what both of them are saying the diagram on the page we're looking at almost should have PTI above ICANN in that while ICANN is still obviously its own entity, it's a nonprofit company, but it is the member of ICANN and ICANN can, what, boot - sorry - and PTI can in fact boot ICANN out? I'm just - if you look at

that structure I'm sort of thinking who's accountability to whom is this structure or if you put PTI on top of ICANN.

It's just - Greg is saying the other way around. So all I can say is, Greg, you and Jordan aren't in agreement.

Lise Fuhr: Okay, I haven't been aware on what they're saying in the chat. So...

((Crosstalk))

Holly Raiche: ...agreement okay.

Lise Fuhr: It seems they are in agreement.

Holly Raiche: I guess what I'm saying though is the way that this is apparently structured ICANN is a member of PTI.

Lise Fuhr: No, that's not what it's supposed to mean. This is actually supposed to mean that as you can see on the slide there is a line that says "Legal separation today." IANA is actually embedded within ICANN here. You would still have it within ICANN but in a legal separate structure.

Holly Raiche: I know, but let me read what Jordan says. And this is why I'm confused. "Yes, it would be ICANN that is the member of the affiliate if it's a member-based nonprofit co." So I'm a little confused.

Lise Fuhr: Okay.

Holly Raiche: And maybe Jordan's wording isn't right or is something. But my look at this diagram, which is what you've spoken to and which I understand I thought

quite well, would seem to have the PTI, the Post Transition IANA, as I suppose in one sense you say it's a member of ICANN but of course if for any reason the problem arises that there is disquiet, if I can use that word, with ICANN either they can quit on this diagram or ICANN gets booted out on Jordan's view of it.

Sorry, but I just - maybe it's a vocabulary or...

((Crosstalk))

Lise Fuhr: Yeah. Well, here - what the intention with this structure is is actually to ensure that if IANA is not performing, and this is escalated to the ICANN board so you would escalate this to ICANN board. They can either take action on this or say we think they're performing beautifully.

And if they perform - if they say they perform beautifully and this is not agreed - someone is not on mute, sorry - and this is not agreed by the community there will be some accountability mechanisms that will change the ICANN board. And it can be decided that it might be better to separate the IANA function by this ICANN board - new ICANN board. So this is going to be one of the ways to ensure that accountability.

Holly, your hand is still up, is that an old hand? And I see Bernie and Greg is on...

Holly Raiche: I think I'll just pull my hand and let other people talk.

Lise Fuhr: Okay. Okay, Greg, go ahead.

Greg Shatan: Thanks, Lise. It's Greg Shatan. Just wanted to clarify - hopefully try to clarify things for Holly in that the question of ICANN being the member of the PTI is largely a technical legal issue, nonprofit corporations cannot be owned by a third party so the way that a third party - the way that one party can control a nonprofit is by being its sole member.

A member of nonprofit organization is actually that the highest level of accountability, it's the top of the totem pole, so to speak, would sit above the board so it functions as de facto ownership. So for ICANN - so that is the way that the affiliation between ICANN and PTI would be managed from a legal point of view.

So the members shouldn't be viewed as subsidiary to the organization, rather the organization exists - an organization exists with the member controlling. If you look at what the CCWG on Accountability is recommending one of the recommendations is a member structure where ICANN would itself have members and the members would be each of the supporting organizations and advisory committees.

Lise Fuhr: Okay.

Greg Shatan: And the reason for that is so that the members can have a higher level of control than the community currently has in a non-membership organization. The members get the final say and that's what - why that linkage would be there and why everything kind of, you know, falls into place.

Lise Fuhr: Okay.

Greg Shatan: Thanks.

Lise Fuhr: Thank you, Greg, for that clarification, that's very good. Okay. Any other questions? Greg, your hand is still up. And I got a question from Wolf-Ulrich. What's the CWG approach regarding the NTIA letter submitted yesterday to the co-chairs, implementation schedule.

I must say I don't have an answer yet to that. We received it yesterday evening quite late. And I need to have a discussion with Jonathan regarding this. So it's too early to have any - any ideas about how to deal with that. As I see it the letter is actually asking for the implementation schedule and we can deliver that. But that's actually sent to the ICG so we need to be a dialogue with the ICG regarding this. So that would be a half answer. There needs to be a dialogue with the ICG regarding it.

Okay, any other questions? Oh, a counter question. Oh, do you want to answer that, Wolf-Ulrich or you want to do it in the chat? What I can say is that the ICG and the CCWG yesterday received a letter, if people don't know. And there was a letter regarding concerns from the NTIA on the implementation and the actual - the contract is ending in September.

And as far as I know, the ICG received that letter, Jonathan and I had copies sent to us. And that has been sent to the group. And the CCWG got a letter and I know that Mathieu sent it to the CCWG group too. So I think all groups and the ICG has also circulated the letter internally.

Okay, any other questions? Oh, Jordan is asking, "So there's no specific letter to the CWG?" No, there's no - it's only - it's only sent to the ICG and only for - only sent a copy to the CWG, not specifically. Okay, well if there's no more questions or comments then I'd like to thank you all for joining this webinar.

I'd also like to encourage you - urge you to submit answers to the public comment period. It would be great to have your comments. Yeah, Jordan, it is early morning but it's very good to get those questions from you and also it helps us in our work. So it's great. So have a nice day, evening, morning, afternoon wherever you are and I guess we'll talk later again somehow at an ICANN meeting.

Okay, bye.

END