

ICANN

**Moderator: Brenda Brewer
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12:00 pm CT**

Coordinator: Welcome everyone to the 63rd meeting of the CWG Stewardship. Its 1702 UTC on 20th of August and today (Lisa Tur) will be chairing the call. So I'll turn it over to her.

Lise Fuhr: Thank you Grace, welcome everyone. I will chair this call together with my co-chair Jonathan Robinson who will do part of the call. But I will do the opening remarks.

And at this meeting we have three outstanding issues that we need to discuss. We have two of those are the two public comment periods that we have running at the moment. One is with the ICG and the other one is with the Accountability Group.

We have the ICG public comment which is due 8th of September. And before that we need to have a position on the IANA IPR.

Therefore we need to discuss the principles of the (Chris) proposal. And Jonathan will chair that part.

So we need to ensure that the CCWG proposal is in line with the requirements that we set out in our proposal. And part of this is the bylaws matrix which is done by Sidley. And this public comment period with the accountability proposal is due on the 12th of September.

So we have some deadlines coming up that we need to be careful of.

Furthermore we will at this meeting have an update on the service level agreement on service level expectation from the Service Level Expectation Working Group. And so these are the three issues we're going to discuss.

Since Jonathan is joining us for the first hour this is going to have the effect that we need to close the IPR discussion after the first hour. And because of this I will start talking and hand over to Jonathan to chair the IPR discussion. Jonathan?

Jonathan Robinson: Yes thanks Lise and hello everyone. Good to be back with you all.

Yes it may or may not need the whole part of the hour. I'm certainly available for the first hour. And we'll see what time we need to deal with.

It seems like we had some productive conversations on the list in addition to the coordination call that have taken place on which Lise and I have updated you so just to take a moment, just a couple moments to look at where we are.

We've obviously had three responses to request for proposals for the - from the IPG including our own from the CWG.

And this essentially when we came to finalizing our proposal and putting it in front of both our chartering organizations in Buenos Aires as many of you

know and will recall there was some concern over what the CWG actually said in the proposal over the IANA intellectual property rights and it's caused some concern in particular where - with the other responding communities in the sense that our proposal appears to conflict with those.

And so we were in a sense required or it became very evident we needed to clarify what we were doing on IP in our proposal. And then of course what we went on with that we had essentially said nothing.

And where we had some words in the draft term sheet we had really expected to deal with this substantially during the implementation of the proposal.

And so but we did at that time submit to sort of ongoing cross community coordination on this and furthermore to seek legal advice and started to in order to inform our own position and so as part of that work.

And of course then the IPG proposal came out for public comment relatively recently and it started becoming increasingly clear that we needed to have created some form of additional clarification or position required from the BWG.

And I guess it was brought into sharper focus by legal advice notice that we received from Sidley or memo and reactions to that.

Because it appears with certainly elements of that note that we could be potentially developing a position which was in conflict with elements of the responses that the IPG had received. And so this started to cause some concern.

And in fact Lise and I then end up on a coordination call with the other - chairs of the other responding community with other groups responding and the IPG chairs very - all of whom have given good time to try to make sure we didn't drift apart from one another and understand where each other's positions were and try and make sure we were coordinated in how we dealt with it in terms of operating in silos which I think has been fantastic.

And in many ways I propose just to digress slightly an encouraging indication for how the names, numbers and protocol communities could potentially work together on areas of common interest in this way in the future. So for me that's encouraging.

And of course then relatively recently we think that started to move rather fast. We're only even on - just come onto now and yet on the weekend there was a statement that came out from ICANN indicating what they were prepared to do with respect to the IANA IPR which seems to have in many ways been widely received and positive and helped break a potential logjam.

Lise and I followed that up with a second coordination call on Monday evening this week at least Monday evening European time. And the sense was that there was a positive response to the ICANN position and that a minimum position from the CWG would be helpful.

So on that basis we put a note to the CWG then indicating that this is where we were starting to understand that we might be able to get to during the course of the IPG public comment and at least make sure that there was no sense that we were out of sync with the other proposals and there was work that could be done to respond to the detail and we could in essence potentially produce a position consistent with the other proposal consistent with the IPG and consistent with the then hot off the press ICANN statement.

And of course very recently as of today I think or over the last 24 hours at least Lise has been good out to respond to our list of questions on the list regarding what would be consistent and then I think in the last few hours have been further input from the (Chris) chairs.

So my sense is -- and I think that I can speak for Lise as well -- I'm sure she'll tell me if I'm inaccurate here -- but we've worked closely on this and we find ourselves in a position where a minimum position would be helpful to the community in the broadest sense and as part of that a commitment to work on the implementation in coordination with the other community then to the extent that it's appropriate together with ICANN and probably and not necessarily prior to the submission to NTIA of the ICG proposal but start to think about an implementations team and/or some sort of workgroup to deal with it and particularly to set from a CWG point of view some form of criteria or requirement for what the neutral or independent holder of that IPO might be.

So that's the kind of scene setting point. And I think it's really appropriate now to say (unintelligible) and give others the opportunity to come in and respond. I know some of you have on the list already.

Let's see how we might progress to get some form of minimum position from the CWG such that we - it's clear we have a position potentially consistent with the others and the that the focus remains on track and any thoughts as to how we might subsequently and at the same not necessarily in advance of the submission to the NTIA or the IPG proposal start to work on both criteria or primarily I guess for criteria for what a neutral or independent third-party holder of that the IPR might be.

So over to you, any comments, thoughts or input on where we are and how we could move forward? Olivier please go ahead.

Olivier Crepin-Leblond: Thank you very much Jonathan, Olivier Crepin-Leblond speaking. And as you rightly mentioned on the mailing list there have been some responses, positive responses from various members of the working from the At-Large community.

And I was just going to say that the whole working group and at-large that deals specifically with these issues is of the same frame of mind that if the, you know, we've all preferred of course ICANN to keep hold of these - this intellectual property and (ovine) at .org.

But it's at the end of the day it's not a deal breaker. And if the ICANN board is okay with actually transferring this over to a mutually agreed third-party of some sort that will be trusted by everyone to hold these - this intellectual priorities and that's absolutely fine as far as a working group is concerned.

I have no reason to believe that this is a different point of view than the At-Large Advisory Committee. Thank you.

Jonathan Robinson: Thanks Olivier. Greg?

Greg Shatan: This is Greg Shatan and for the record. And I agree with Jonathan. We've had some very fruitful dynamic discussions.

And, you know, the clear message that we've now received from the ICG and from the CRISP team really helps, you know, point the way forward.

I think for us you know, in concert with ICANN, the ICANN statement from Steve Crocker on behalf of the board with regard to future ownership is clearly if ICANN - if this is not ideal for ICANN the corporation it'll be hard for us to see a way to disagree unless we, you know, violently had to. And I don't see a reason to do that.

So I think that the high level question or, you know, what you phrased in your email as the minimum requirement that it's acceptable to this community that a third party other than ICANN become the brand owner, you know, it seemed to be something we should all be able to get behind.

And the issue of who that entity might be can be left for the implementation phase. And we can consider our options on an equal footing at that time and don't need to kind of be keeping the debate that's been going on about any particular option going right now but rather concentrate on getting behind the minimum requirement.

Just it does need to be pointed out the - unlike a copyright or patent and a trademark is not merely held. It represents the brand, against the brand represents the company or entity that produces a product or provides a service.

So whatever third-party we choose it will become the ultimate provider on a legal basis of those services and, you know, have certain quality control obligations that it will have, you know, kind of base element of a trademark ownership.

There are lots of ways to deal with that so that it can be properly accountable to the community. I have no concerns, significant concerns that we'll all be able to come up with a way that this entity will be neutral in the sense that it

would not either favor any community over another community or go rogue or be captured to use some of our favorite terms of the last number of months.

But the idea that it would be a container and be passive is one that's not possible not with this type of asset.

But again that's kind of going down to the implementation level. And I think that as long as we all recognize that's what we're dealing with that this, you know, we'll be able to find a way for a third-party to assume the responsibility. And therefore I have no problem supporting the minimum requirement. Thank you.

Jonathan Robinson: Thanks for all for your time and energy that you put into this including your own specific expertise in area. I think that's something to have and probably something that can be continue to add to the work that the CWG as and when we go on to work on criteria that you've sort of touched on a little there and on any further implementation.

Are there any - has anyone got any concern for particular issues with where we seem to have arrived at? Because if not it feels to me like we've got to start to talk about specifics and the mechanics of how we move this forward.

And my initial thoughts on this I'll say is to potentially communicate to the IPG directly possibly in addition via through the public comment forum the same content and clearly as a courtesy over to the other responding parties who've shown they are (unintelligible) concerned but willingness to be open to talking with us.

And it feels to me like somehow we - and (Pat)'s not on - not live on this call but we really need to come up with a relatively brief minimum position as

discussed in the communiqué that via those mechanics that I've talked about I just mentioned a moment ago and that maybe the resolution that we seek and at least in the short term before we then can go on to work on specifics of - in the future (unintelligible) criteria and actual implementation.

So any concerns? Anyone got any - I mean this is good. It's such a coming, you know, look I mean I would hate to mischaracterize it because it's clearly something that people have felt very strongly about and carries a great deal of importance.

And it's been but in one sense it's been a sort of very intense storm in a teacup over the last recent - most recent part. And I am very conscious that we must make sure that anyone's got any concerns that were to arise that we should hear them now.

Otherwise we should move to trying to capture that in the form of a pragmatic and straightforward statement that may borrow words from the ICANN statement, the IPG. And I've seen some of the other proposals.

It feels to me like that could be pulled together in really two or three sentences rather than some something too complicated. Martin go ahead.

Martin Boyle: Thanks Jonathan. No it's not particularly a concern. But I do recognize that whoever the neutral holder of these rights -- and this is in part picked up in the ICANN statement -- has to grant maybe sort of correct access to whoever is operating each of the IANA functions for the different communities.

So in the first instance PTI would need to - need to have this. But if subsequently one or all of the operation communities decided to move to a new operator then we need to make sure that in the agreement there is clear

requirements on the holder to transfer those rights from ICANN to the new operator.

So I think everybody's well and truly aware of that but I thought it would be useful just to flag it as being perhaps one of the sort of bottom lines that we need as we move forward. Thanks.

Jonathan Robinson: Thanks Martin. So, you know again I just to try and emphasize in terms of structure or process I think I, you know, agree that that kind of detail needs to be sorted out.

And in terms of the three steps it feels to me like step one is to get past this immediate logjam which is to make some formal statement on behalf of the CWG that clarifies that we are potentially aligned with ICANN statement and the other groups. And that sort of ties us all together.

The second is for us to then work on our criteria for such a holder. And that's most of the in terms of responsibilities and capabilities and requirements of what we might expect of the neutral third party.

And then clearly that'll have to be done in coordination with the other communities. But there's no reason why we shouldn't make a first attempt at developing the criteria ourselves and then share those and work up the cross community.

And then third seems to me if that comes into the real implementation detail of what form of contract does this third-party have with the different operating entities such as PTI?

So that feels like first step and it would be good to get all those in a clear (unintelligible). Greg?

Greg Shatan: Thanks, Greg Shatan again. Just briefly whatever the relationship is first is the question under relationship to the current and future providers of IANA services there need to be a trademark license.

It could be a stand-alone document. It could be - but in part of another document but there needs to be a trademark license between the trademark owner and the licensee.

And so there would need to be - then there's the issue of how this entity would be accountable to the three communities as well. I think all of this is implementation.

As a trademark owner it needs to be left with some discretion to decide who it licenses to and who it doesn't which in turn means that its discretion as an entity to some need - extent needs to be controlled by the three communities.

You know this is to some extent, you know, this getting, you know, into technical issues. But we need to make sure that it's - that there's nothing that makes it not viable or would allow it to be challenged as a - an appropriate trademark owner.

So we do need to consider and I think I see, (Yaris) comment that we need to provide agreements between the two operating communities and the holder.

And then, you know, I agree with that. It's either going to be done through contract or it's going to be done through other forms of control such as

ownership or advisory committees or the like or some combination of those things.

But that's kind of what we're going to need to set up. And I think that's all implementation. But again a trademark owner needs to have those kind of a mind of its own so that it is seen as being that - the ultimate provider of the services for trademark purposes.

So we'll have some tasks ahead of us but I don't think any of them really influence our ability to stand behind that minimum requirement right now.

So hopefully we, in spite of what Alan says we're not destined to discuss this here in detail but rather discuss it later in detail. Thanks.

Jonathan Robinson: Thanks Greg. Lise your hand is up.

Lise Fuhr: Thank you Jonathan. I just want to suggest that you and I as chairs do the draft for the position as soon as possible and send it to the group. So and - so we get going on this and you and I have been involved in this with the other groups. Thank you.

Jonathan Robinson: Thanks. That's a suggestion. I'm happy to work on that. I think as I say my opinion -- and I'd love anyone to tell me if I'm wrong or missing something here - is that this is you know, a very short few sentences that lays out the position from CWG that at least puts us in alignment with the current status quo a task that everyone can breathe a sigh of relief and feel that the whole process is on track and that there's no sense that it's - there's a misalignment and if we commit to working together with the other community as part of the implementation to implement what's proposed.

I see a checkmark from Cheryl. And I will look for other checkmarks for any other concerns or objections to that.

But thank you Alan. I see a checkmark from you as well and Avri.

So the plan therefore will be to unless others of you disagree is we will form a very brief statement to try to make that alignment and then seek to agree with this group how we, you know, the next step as necessary but in the meantime just sort of a calm everyone's nerves that there's not about to be some significant dis-alignment between different operational communities.

So well I don't want to sort of to (unintelligible) this to death. If others are comfortable with where we're at then that's okay.

Lise and I will work on this quickly and try and turn around something to you as soon as possible and seek any comments or responses to that unless there - if we get it right. Hopefully we'll get it right after just a few iterations if not right away.

And then we can proceed to potentially write that to the IPG as I said and put it on record via the public comment as well and communicate with the other operating community.

Chuck Gomes: Jonathan this is Chuck. Can you hear me?

Jonathan Robinson: Yes Chuck come in.

Chuck Gomes: Okay and I'll meet myself when I'm done talking because we're driving. But I wanted to let you know I join about ten, 12 minutes late but have been on

through most of this discussion and I'm fully supported of the direction we're headed. Thank you.

Jonathan Robinson: Thank you. Thanks for coming and adding to that. That's also helpful.

So (unintelligible) we have agreement then for the chair to draft a position and to obviously put that out to the this group before submitting it.

And then we understand that in the median term and I've sort of captured that caption Greg. I'm not sure if (Steve)'s taking notes.

These aren't near-term actions but the follow-up sequence of events is the action is to draft a submission. And in the future we will then focus on clarifying the requirements and the other community during implementations. So thanks.

All right well having been prepared to spend up to an hour on this it's appeared we've dealt with it in half an hour. So unless there's any reason not to I think I'll hand the chair back to Lise.

Lise Fuhr: Thank you Jonathan and well done. Well let's move on to the bylaws matrix.

As you know we asked Sidley some while ago to do a matrix of the bylaws needed from our proposal.

And the matrix has been out for quite a while now. And actually the matrix was meant as first of all an overview of what bylaws needed to be done and what kind of bylaws, was it going to be a fundamental or a more standard bylaw and who should who should be in charge of the - of actually writing this by law.

And the matrix is also a very good spot for the requirements that we as a group need to discuss and to agree upon as a basis for the bylaw drafting.

We've asked Sidley to do a presentation but before I hand over to Sidley I'd just like to say that we know there's been a lot of discussion on the accountability list regarding (unintelligible) in the - between the matrix and our proposal and the actual accountability draft.

And the CWG, the CCWG sorry, will compile a document with these differences and send this to us very soon. And these will be shared and discussed within the CWG.

And with that said I will hand over to Sharon and Josh to do a presentation of the bylaws matrix.

Sharon Flanagan: Terrific. Thanks Lise.

So hopefully everyone has the matrix that we circulated I guess it was last week. And this is kind of like the punch list we did when we were working on the final proposal.

It's meant to be its just kind a more operational which is, you know, we've got all of these requirements. What is it actually going to mean in terms of putting these into bylaws at ICANN?

And then who's really the right group to take leadership on that? Is it CWG or is it CCWG? And so we tried to take a stab at, you know, making a proposal on which group we thought was closer to the issue, you know, such that it

might make more sense to one group or another to take the laboring more on the drafting.

But obviously that was just our account attempt at allocating responsibility and that you could take different views of course.

We've organized it by topic and I can just kind of walk us through the different topics.

But one question to the chairs is would it be helpful - do you want me to just walk through the entire set or do you want me to go by topic and then we can pause after topics to talk about whether there are questions? Any preference?

Lise Fuhr: I have - I think it's good to go by topic - thank you Sharon -- and then pause after every...

Sharon Flanagan: Okay.

Lise Fuhr: ...topic.

Sharon Flanagan: Okay that's what I'll do. Okay great.

And this is drafted from the perspective of the CWG. Obviously we are working with CCWG as well.

But this is an exercise that we were tasked with by the CWG. So the perspective is what is the CWG, you know, what has the CWG articulated as a requirement in its proposal or what are things that maybe weren't, you know, articulated specifically but flow from the general principles in the CWG proposal? So that's kind of the perspective this comes from.

There's probably other things, you know, lots of other things CCWG will need to do. But that's not what this is meant to address.

So the first topic is PTI governance. And as you all know ICANN will be the sole member of PTI. So as the legal member it will have certain rights as a member to do things like change the PTI articles, change the PTI bylaws, appoint directors, et cetera.

And so in order for this whole model to work there has to be certain constraints imposed on how ICANN exercises that membership authority. And these are some of those concepts.

So the first thing is that there will be articles of the corporation for PTI. And we propose that those can be amended by ICANN as a sole member to affect certain fundamental changes.

So fundamental changes to the PTI articles, the governing documents would have, would require community input.

So for example ICANN couldn't change the structure PTI. It couldn't take it from a nonprofit public benefit corporation into a for profit or into a LLC or into some other form.

We've also proposed that the jurisdiction of PTI not be subject to change without community input.

There was some discussion on the CCWG listserv I think thinking perhaps this was addressing ICANN.

This is not about ICANN. This is about PTI. So this is saying that PTI, you know, if there's a change in what jurisdiction that it is incorporated in that would require some approval by the community.

Basic, you know, purposes and powers of the entity, the membership of the entity the powers of the board, indemnification of directors and officers and then of course the ability to amend the articles and bylaws.

All of those we view as really fundamental aspects of the governing documents of PTI that you would not want to be changed unilaterally by ICANN.

And so what this is meant to do is make sure that the basic architecture of the CWG proposal remains intact and it doesn't just get unwound immediately after transition by ICANN as the sole member having that right, you know as a matter of just general law. So that's the articles.

The bylaws are, you know, it's a similar concept. You know, different things go the bylaws but it's the same idea, you know, making sure that the fundamental architecture remains intact. So that's A and B.

And then the next item is just the board composition. Obviously this group spent a lot of time talking about what the board seats would look like. And so it's important that that structure remain in place and not be changed unilaterally.

Similarly membership, you know, the fact that ICANN is the sole member that's something that was - is very fundamental.

So if that were to change the community would want to have a say or if ICANN were to be able to transfer its membership unilaterally that would be problematic.

And then asset transfers is another area. You know, we talked about that when we were finalizing the CWG proposal. We wouldn't want PTI to just be able to transfer all these assets to a third-party with no say other than potentially ICANN.

So those are the overall governance aspects of PTI. I guess one last thing is just, you know, fundamental transactions like a merger or dissolution or a bankruptcy, you know, those kind of really fundamental events would not be able to be approved solely by ICANN.

So let me pause there on the PTI governance and see if there are questions about that.

And then and I should also note that this document is all about the ICANN bylaws. PTI of course will have to draft articles and bylaws for PTI and that will have all of these items in it that are saying can't be changed. But we have - that's not, you know, part of this document. So I'll pause there, any questions?

Lise Fuhr: Sharon there are questions in the chat but I don't know if you...

Sharon Flanagan: Oh.

Lise Fuhr: ...want me to read them out loud or you do so?

Sharon Flanagan: Do things need to be fundamental bylaws? That's one of the questions.

You know I think again if you view this as the fundamental architecture of the proposal it would seem like you would want these to be fundamental. They shouldn't be easily changed.

But I don't think CWG is necessarily, you know, taken a firm view on whether PTI governance has to be absolutely fundamental at the highest level or it's just something that is a bylaw change that would have to get membership, you know, the sole member would need to approve.

I think that maybe you guys could be open to that possibility is that it has a lower, you know, lower standard.

Lise Fuhr: And Avri you have your hand up. Avri go ahead.

Avri Doria: Yes thanks, this is Avri speaking. I just wanted to ask the same question that I put in the chat was in the - at this moment on predicted events that the other two operational communities wished to participate as members in the PTI does the A3 and the BI basically cover that kind of change that it would be something that come to communities and trade communities would discuss and then something would or wouldn't happen?

Is that how such a thing would happen if it was ever be desired? Thanks.

Sharon Flanagan: Yes Avri that would be the case. It would - as it stands right now the structure of a sole member would be set. You know, that would be set I won't say in stone because it's not immutable but it would be established in somewhat of a firm manner.

And if there were ever a desire to change the membership, the PTI that would be something that would not be able to be done solely by ICANN but would need to be approved ultimately by the, you know, the sole member of the community.

Lise Fuhr: Thank you Sharon. And I see a question in the chat that's more for the CWG as such. It says thanks. Probably then the matrix should reflect the position on which parts needs to be fundamental needs to be discussed and decided by the CWG right?

And actually this is part of what we're doing right now is discussing what we find - we're discussing this matrix.

And if we have any questions or any thoughts on what should be different it is now we can discuss it. And we can also discuss it at a later meeting if we don't decide on the matrix today. So this is a part of that discussion.

Sharon Flanagan: And Lise let me just add one thing which is that I think the critical in terms of getting the work done I think the critical piece of drafting is not - doesn't really matter as to whether it's a fundamental bylaw or a standard bylaw in the sense that that can be done kind of at the very end.

You know, you cross-reference list of these other ones that are fundamental, these are the ones that are regular. So I don't think that part of the decision-making needs to hold up drafting on the bylaws. But I agree it's something that probably needs to be discussed among the CWG.

When we said fundamental I think for some of these anyway the CWG proposal just was kind of flat saying fundamental not at that point CCWG

hadn't fully involved into the position of that there would be two levels and that at both levels there would be some community say.

I think the view of CWG was fundamental just meant community needs to have - there needs to be some involvement on the community.

And I think as the CWG's thinking has evolved there will be community say on both regular standard bylaws and fundamental bylaws. It's just a fundamental require a higher threshold.

Lise Fuhr: Thank you Sharon. It's a very good point that it - we don't really need to decide finally on whether it's a fundamental or more standard bylaw.

And I guess this is the process were trying to find out how to set the requirements for bylaws. And we need to do a lot more drafting and discussion on it. So okay any more questions for the government issue?

Mary has one, A1 and double I (unintelligible) country to what CCWG is proposing for the ICANN that owns the PTI. Please could you clarify further? Sharon?

Sharon Flanagan: Yes again this is all about the PTI entity. This doesn't touch on ICANN at all. And CCWG is focused on ICANN. So this is just about the IANA, the subsidiary, the affiliate. So it's a much narrower question.

And I don't think CWG has said anything about what the jurisdiction of PTI must be.

Lise Fuhr: No.

Sharon Flanagan: All right, well let me take the next - if I - if there's nothing else.

Lise Fuhr: Got it.

Sharon Flanagan: I'm going to take the next topic which is - which I know got a lot of discussion on the CCWG listserv which is the budget, the ICANN budget and the IANA budget.

As a general category we put this one as a CCWG item because this is one where it came to us. There is a tremendous amount of expertise and discussion at the CCWG level about what needs to happen on the budget and that the CWG's proposal was more specific of saying, you know, we need to have, whatever you decide on budget it has to meet these minimum requirements.

But it didn't seem to us to be as much lead by CWG in the same way that some other things like the separation process are really kind of been created by CWG.

So we thought this one probably belong with CCWG.

There was some discussion you may have seen on the list about that is the computed input that is expected on the IANA budget?

Again this document was drafted from the perspective of what the CWG has said it wants in its proposal.

CWG in its proposal said that the ability, we needed the ability for the community to approve or veto the budget. And it was stated as an or, approve or veto I think primarily because the mechanism of community say wasn't

known yet. But I think what CWG was saying is there needed to be some community say.

And so where CCWG is - has landed on this is not an approval right by the community but a reject and, you know, reconsideration veto right.

And so I think the CWG needs to confirm that that works for you that you're not necessarily concerned about the how a community has a say as long as there is some way that the community has a say.

So I - that's one thing I wanted to just comment on is that there was, you know, there was some discussion about that.

Let me just really quickly talk about the specifics and then I'll pause for questions and comments on that piece.

So the first is just a requirement so that's kind of separate from the budget just a requirement that ICANN actually fund PTI. You know, it's all well and good if there's a budget but they actually have to send the money down.

So this is just the same mechanically that the money needs to get transferred down to PTI so it can operate.

And then also the requirement that the budget itemized the IANA operations cost which was a particular requirement in the final CWG proposal and then a requirement that PTI submit its budget to the ICANN board.

I assume that's so that the ICANN board can take the input of PTI and use that in coming up with the ultimate budget that then is approved and then sent to community for potential veto.

And then lastly the ability of the community to veto the IANA budget.

So those were the - some of the specifics. I'll stop there if there were any comments or questions on that piece.

Lise Fuhr: Sharon I'll comment on the budget. And that is actually that on the list we had a discussion about the wordings that were not in line and that was that we said that we should approve and have an ability to approve and veto.

And I guess that many of the people who were working with the budget and their defined team on the budget is - are more leaning to what's that the only thing we need to be able to - is to veto and not to actually approve the budget up front.

Thank you.

Any other questions or remarks to the budget?

Chuck Gomes: Lise this is Chuck. I'll (unintelligible) if that's okay.

Lise Fuhr: Yes go ahead Chuck.

Chuck Gomes: And I'm not asking a question but I'd just like to add a little bit to what you said.

For those that aren't aware ICANN, the ICANN Finance Team and really ICANN as a whole made some of the most significant changes in the budget approval process this year for the fiscal year '16 budget that have ever been made.

And they delivered a couple months earlier than has been done in the past a draft budget that had enough detail that allowed us the community members to be able to make comments in time for adjustments to be made for the budget before the board acted on it.

And that meant they delivered a fairly detailed at least down to the project level budget, you know, I don't remember the exact date but it was like late February or early March and the public comment period. And it was plenty of time for adjustments to be made to that draft budget before the board acted on it.

Now if we were to require approval of the budget even probably just the IANA budget that would add probably at least a couple months more likely more to the cycle and would - that would mean that ICANN staff and PTI staff in particular would have to develop a detailed budget with less than six months of actual data from the current year. I think that would be unreasonable.

At the same time I think we can recognize that now that there is adequate opportunity for community input I assume that same ability would carry forward for the PTI budget.

I think there will be adequate opportunity for good community input and meaningful input in the process that it's now been introduced and actually used in this past cycle.

Again just point, of course if the ICANN board was not responsive to the input from community we have accountability mechanism that could be kicked in to deal with that. And I'll stop there.

So obviously I'm one of those that doesn't think it would work to require the community to approve the budget. And I'll stop there.

Lise Fuhr: Thank you Chuck and thank you for your comment. Martin Boyle you have a question or a comment?

Martin Boyle: Thanks Lise. Yes I think certainly I'd start off by saying I do agree with Chuck about the approval element.

I think really here we do need to be talking about what is the backstop and therefore the opportunity to veto a budget.

And but that in its own right leads me to start thinking about, you know, yes but why would one or should one veto the PTI budget or the PTI or the success of PTI's budget with all the consequences that might come from that?

Now why go through that sort of thinking and looking at C which is the requirement of PTI to submit an annual budget.

Really I think what we're looking at is the two levels of action. Firstly we've got PTI who are the people who are - of the organization is defining the budget and that I think need to work with the community to make sure that it is funding the things that the user community, the customers are going to need.

And then that goes to ICANN. And essentially we're expecting ICANN under A to supply PTI with the budget that is asked for.

I think I would actually have serious problems with the idea that you had - so long as you have had a proper bottom-up budget development process in PTI I think I would have serious problems about the ICANN level of vetoing that budget.

Now I can imagine that there might be a reason for vetoing it if the community was not involved in preparing the initial budget or if things that the customers had been calling for were not included in the budget.

But I think that is probably a more fundamental discussion point and is not really necessarily and/or specifically a budget related point.

So as I say I have got a sort of concern about where do you find a veto and whether perhaps the veto is something that should be available to apply at the PTI level rather the ICANN level with the only particular clear obligation I saw for ICANN as being a - after once it's received a promptly validated budget request from PTI it is obliged to provide the funding to support that. Thanks.

Lise Fuhr: Thank you Martin and very interesting discussion. And actually I find it interesting.

But we also need to keep in mind that we actually submitted this wording to the chartering organizations. And of course we can do some changes in how it's implemented by the - this has been a part of the - of our requirements to the accountability group for quite a while.

So if we're going to move it to the PTI level it seems that it's getting out of the accountability group.

And we need to be a little careful about how many changes we're going to do in that respect, not saying that we can't do any because it seems that everyone is agreeing on being approved. But just to highlight that there is a fine line to (a threat) here.

Okay, any other issues on budget? Any questions to Sharon or should we move on?

I don't see any in the chat. Sharon you move on?

Sharon Flanagan: Okay. So the third item is the IANA functions, the contract between ICANN and PTI. And what we were proposing is that certain material amendments to that contract would be subject to approval by the community so that, you know, fundamental aspects.

Minor amendments would probably be okay but kind of fundamental changes that would undo the overall structure would require an approval by the community.

And, you know, I assume that the contract will be in play or in affect for several years and then kind of each - at each renewal there might be some additional input from the community on the new contract. Anything on that point?

Okay. All right number four, community empowerment mechanism, these were the two dependencies articulated in the CWG proposal, the power to appoint and remove the individual directors and the power to recall the entire ICANN board.

Both of those items are addressed through the CCWG and seem to us that they would be the right ones to draft that. And that what they're currently contemplating is consistent with this requirement. Anything on that?

Okay. All right the next handful are kind of get into the guts of the mechanics of the IANA function review, customer standing committee and all of that which is why we thought all of these really belong with CWG.

So let me start with Number 5 which is CSC contemplating the creation of the CSC within the ICANN bylaws and then, you know, that there would be a charter that would articulate what the mandate of that of the group is and it would be in line with the CWG proposal. Any comments on CSC in general?

Okay I don't see any so I will move on to the IANA problem resolution process. This is the process to address persistent performance issues.

Again we would think this would be housed in ICANN. For a lot of these things you could say we'll just put them in the contract instead. And that's something that the group can consider certainly.

But in terms of maximum enforceability the best way to ensure enforceability of all of these pieces of the overall solution is to put it within ICANN.

Because ICANN is, you know, there will be the single member and that member will have power to deal with any divergence from what is contemplated here.

If it's put in the contract, you know, you've got ICANN and PTI policing one another. And there's some that will work to some extent.

But if there is a breach and there's just no willingness to enforce it it is more remote than to have to kind of address it through the community than if it were part of the governance of ICANN.

And there would be a more direct mechanism through ICANN as opposed to trying to force ICANN to enforce the contract.

So we kind of took the perspective that, you know, to ensure the enforceability would be valuable and therefore it would be better to have it in dialogue. But that's something that the group can consider whether you'd rather just house some of this in the contract instead.

Okay so let me just - let me keep going because these are all kind of linked.

So the - so Number 7 is the IANA function review. Similar to CSC we were contemplating that the IFR would be part of the ICANN bylaws for the reason I just mentioned which is to make sure that it has maximum enforceability.

It would be within the Affirmation of Commitments type reviews although with, you know, very specific requirements all as set forth in the CWG proposal.

And then also, you know, the special IANA function review as well would be contemplated and then the requirement in 7D that if there is something coming out of the special IFR that then that gets - that goes to the votes that are outlined in here in D.

And this is another reason why you might want to house this all within the ICANN bylaws because it's ultimately dovetailing back in with other creatures

of ICANN, other creations of the ICANN bylaws like the councils and the Board and other pieces.

So that's the process on the reviews. I'm going to pause there for questions, comments. Okay. I'm not seeing any so I'll keep going. Number 8 is the separation process.

This is the outcome of all of the review function. Ultimately if there is a determination that a separation process is necessary, then there's the creation of the - and I forget how you're pronouncing this one but the SCWG that that would be contemplated within the ICANN bylaws.

That that would then be created by the bylaws if it ever is needed and then empowered with all of the things that the SCWG would need in order to determine how to accomplish a separation if necessary, how to select the new IFO, how to, you know, separate out all the things we've been talking about. Separating out the IT, all of that, you know, would be done by this group.

And then ultimately a requirement as you see in 8E that once all of this has been decided in the manner contemplated by the CWG final proposal that ICANN has to do all the things it needs to do to make it happen.

ICANN is the sole member of PTI. As I said, they'll have legal rights in that capacity and we need to - we need to be able to enforce and force ICANN to do whatever is required to facilitate that separation in whatever form that separation would take.

I'm going to stop there because we've just kind of talked about all the reviews and separation process and see if there are any questions or comments now.

Okay. Hearing none although I see Avri is typing but I will keep going. But if there's things that come into the chat, I'll...

Avri Doria: Typing based on something else.

Sharon Flanagan: Oh, okay. Okay.

((Crosstalk))

Lise Fuhr: There's a question for the appeal mechanism when you've done presenting that.

Sharon Flanagan: Okay. Okay. Let's go there. That's Number 9. The next item is the appeal mechanism. And this is just articulating what was in the CWG final proposal, which is the creation of the independent review panel for issues relating to IANA functions with the carve out that was requested for ccTLD delegations and re-delegations.

So I know there was a question from (Alan) on that point. The question appears to be that does this only apply to ICANN Board decisions and staff decisions? How do we ensure that the PTI decisions are also reviewable?

I think that's maybe a question I would put back to the group, which is do you want to have a review of PTI decisions, you know, through an IRP or instead will you work through your review, your CSC and your, you know, periodic review function to address areas where you think PTI is not behaving or performing properly? Any thoughts on that? So it looks like Alan has his hand up. Alan.

Alan Greenberg: Yes. Thank you. I certainly imagine that the IFR is the main vehicle that we'll use to fix overall endemic problems. I think Alan's question is slightly different. And he's saying can an individual registry use the appeal mechanism to fix a specific problem. And I don't think we had contemplated that in the original discussion. At least I hadn't.

And I think it should be up to the internal mechanisms to accept the registry complaint. And I think we already said that the CSC could take I think - forgetting the acronyms now. I think we called it the CSC. Can accept registry complaints and investigate them and try to fix them.

So I don't really see the need for something as formal as - and elongated as an external review for what is - should be an either a major problem that everyone is seeing or a specific one of that - where that process is overkill.

Lise Fuhr: And I can see (Alan) has posted some in the chat saying that he doesn't see new reports really indicates and individual problems and issues be it reviewable. The CWG report says appeal mechanism - an appeal mechanism for (unintelligible) in the form of an independent review panel for issues relating to the IANA functions.

For example, direct customers with non-(remediated) issues or matters referred by ccNSO, CNSO (offer) escalation by the CSC will have access to an independent review panel.

The appeal mechanism - oh, (everything's moving). The appeal mechanism will not cover issues relating to the ccTLD delegation and re-delegation. Which mechanism is to be developed by the ccTLD community post-transition? Alan, is that a new hand or...

Alan Greenberg: Yes. Yes it is. It is a new hand.

Lise Fuhr: Okay.

Alan Greenberg: And I guess I'd like to...

Lise Fuhr: Okay. Go ahead.

Alan Greenberg: ...have an example of a kind on un-remedied problem where an IRP, which could take, you know, months or years to remedy is a suitable - is a suitable mechanism. I'm having trouble understanding what IANA does and where this kind of problem would be solvable by an IRP since it clearly is not re-delegation issue either for gTLDs or ccTLDs.

Woman: (Unintelligible).

Chuck Gomes: Lise, this is Chuck if I can get in the queue please.

Lise Fuhr: Just go ahead Chuck. There is no one in the queue, so.

Chuck Gomes: Thanks. I want to first of all agree with Allan MacGillivray's statement that it's important that individual registries who are impacted by a delegation or non-delegation decision has the ability to appeal for the GNSO.

I understand that that issue's going to be dealt with by the ccNSO. But throughout our work that has been a basic understanding. Now whether it would need to come to that or not, it depends. But without that it's a really important issue for a gTLD registry. Thanks.

Lise Fuhr: Thank you Chuck. And I see Bernie has his hand up. Bernie, go ahead.

Bernie Turcotte: Thank you Lise. Unfortunately (Alan) doesn't have - Allan MacGillivray doesn't have a voice and we have discussed this point. So maybe I can try to fill it in a bit so it - you can understand for folks.

I think we're all clear that the independent IRP for delegations and re-delegations the ccTLDs have asked that that not be the case. In the current CCWG proposal that is up for public consultation Version 2, (Alan) noticed that this exemption relative to the delegations and re-delegations had been applied evenly for the (ICR) and as well as for reconsiderations.

So the first part was we're - I think it was a little unclear if it was being asked be applied to reconsideration also. Once we talk about that, the second becomes of course if the IANA functions operator is a separate company, is it eligible for a reconsideration request?

I think it was clear from the ccTLD point of view that an independent review by third parties who don't understand all the mechanics and sometimes as we have mentioned delegations and re-delegations are probably closer to an art and a science.

The ccTLDs wanted to make sure that any kind of independent review was conducted in direct context. This is why they asked to let them come up with that process.

The reconsideration request is simply asking the ICANN Board the current definition and the modified definition in the CCWG to reconsider the decision it has made.

So I think this sort of summarizes (Alan)'s question is its unclear the ccTLDs were asking that delegations and re-delegations be removed from reconsideration requests also given it's not an outside panel. This is just the Board looking at its own decisions in the second point.

And if that is to still apply, then given the IANA functions operator is now a separate company from ICANN, would it apply? Thank you. I hope I've done you justice (Alan).

Lise Fuhr: Thank you Bernie. And I guess we don't see any - (Alan) is writing. So let's see if he's - he thought that you'd done him justice. And Sharon, there is still some questions going on in the chat regarding the (expected) bylaws. And I think we need to get back to those when we have done - let's go back to that after we're finished the fundamental Bylaws 10 and 11 after this.

Sharon Flanagan: Okay. On Number 10 the root zone management. This is one we put in in brackets. It's something that's in the CWG proposal but it's nothing that we've really worked with you on. So we don't have any background on it.

But the way it's stated is a requirement that the ICANN Board approve any major architectural and/or operational changes in the management of its root zone. I don't know if anyone wants to weigh in on that. But that is something that was in the proposal.

Lise Fuhr: I don't see any weighing in on that. But I can see that (Alan) posted a - something in the chat about the appeal mechanisms. And he says it's his interpretation of the CWG report that the review mechanisms would apply to IANA PTI decisions.

Sharon Flanagan: On that one maybe I can just make one point there.

Lise Fuhr: Yes.

Sharon Flanagan: I know we did talk months ago about the role of CSC and CSC did not want an expanded role that would include dispute resolution by customers. And I think that was at the point at which the decision was made that the other appeal mechanism had to be available because CSC was not going to be in the business of arbitrating disputes.

So I think what Alan said in the chat is - I think that is consistent with at least some of the discussions that we were involved in.

Lise Fuhr: Yes. And there's another question for Chuck. And I read that and then we go to Greg while Chuck is thinking because Alan Greenberg is asking Chuck how is gTLD re-delegation on the PTI IANA issue? And Greg, go ahead.

Greg Shatan: Thanks. Greg Shatan. My understanding that the independent review process as currently contemplated by the CCWG is limited to ICANN Board actions or inactions it appears.

Some consideration in Workstream 2 perhaps of expanding that to ICANN staff decisions. But I believe that right now, you know, it's limited to ICANN Board decisions if, you know, change that has been proposed is a - can deal with the substance of those decisions and not merely whether ICANN follows processes in meeting those - in making those decisions.

But as you've pointed out, you know, PTI is a separate entity. And while it's, you know, affiliated it's not even a subsidiary. Therefore I don't see a way that the independent review panel has jurisdiction over matters that take place at the IANA level or the PTI level unless they're somehow reflected in Board

action or inaction, you know, creative plaintiff or lawyer to probably take Board inaction and turn that into a cause of action for failing to deal with an issue at the PTI level.

But that's requiring perhaps more creativity than we should. So the issue is whether - on the one hand if we have put a requirement into our report that IANA actions be reviewed by an independent review panel. Then the independent review panel currently designed by the CCWG does not meet our requirements I think.

On the other hand, if that's now a requirement that we want to change, then our (unintelligible) is now potentially obsolete on that or we'd need to reopen our report. Not saying we need to reopen public comment. But if our proposal, which is now part of the ICG proposal, is not something that we now want, that's a whole different kind of issue and we have to think about how we deal with that.

So either way there's some kind of an issue here that we need to face up to unless we somehow manage to call an implementation issue. But I haven't thought that far as to whether we can consider that to be implementation if it's - especially if it's clearly stated in our proposal. So I think we have to face where we are somehow. Thanks.

Lise Fuhr: Thank you Greg. And next in line is Alan. Go ahead Alan.

Alan Greenberg: Thank you. I guess I still want to understand - I accept we may have put something in the report, which was in the proposal, which is ill advised. But I'm trying to understand why - what an appeal mechanism would appeal. What is it reconsidering?

IANA makes very few decisions. The primary decision IANA makes on a regular basis is is whoever's requesting a change in fact authorized to make - to request that change. So clearly if VeriSign requests a change to a TLD, which they have no control over, that would presumably and hopefully IANA would not accept that.

But other than that IANA doesn't make a lot of decisions. So I'm trying to - I really think we need to grasp but what is it we're trying to appeal? Not whether we put the words in the report correctly or not but what is the problem we're trying to fix and is there really a problem or not? Thank you.

Chuck Gomes: Lise, I can...

Lise Fuhr: Thank you.

Chuck Gomes: ...(jump) in if you'd like.

Lise Fuhr: Yes. Yes, I would like. I was going to say so. So go ahead Chuck.

Chuck Gomes: Thanks. Alan, I agree with you that the IANA wouldn't be making decisions in that regard. But they would be following direction from ICANN with regard to GNSO policy.

And if that policy - if that decision by ICANN was contrary to policy or a registry thought it was, that's the situation we're talking about. I don't know if that answers your question or not but I'll stop there.

Alan Greenberg: Lise, may I answer. It's a very short one.

Lise Fuhr: Yes. Yes. A very short - yes. Fine. Go ahead.

Alan Greenberg: Yes. It really comes down to if ICANN has made a decision incorrectly, then it needs to fix that decision and then it will tell IANA to fix, you know, to fix the registry entry. It's not an - IANA doesn't have the authority to override ICANN and say ICANN made a mistake. I'm going to do what I think is correct anyway. That's in direct violation of what IANA's supposed to be doing.

Chuck Gomes: And this is Chuck. We're - there's nothing we're - I'm not disagreeing with you at all on that. But that hasn't...

Alan Greenberg: Yes. So the appeal has to come...

((Crosstalk))

Chuck Gomes: That does not - that does not mean that an appeal mechanism is not needed if ICANN did make an inappropriate decision.

Lise Fuhr: Okay. Thank you. Thank you both. And I agree. It is necessary. I think I get where you are at Chuck with the ICANN decision needed to have a - have an appeal mechanism. And that's relevant especially for the gTLD.

So Andrew Sullivan, go ahead.

Andrew Sullivan: Hi. Thank you. So I think that we may be drifting a little bit away from our remit here because we're trying to talk about, you know, just the stuff with respect to IANA stewardship. And what Chuck is talking about is a case where (ICANN) does something wrong and instructs IANA incorrectly. And that is a - that's something to do with appeals of ICANN's discussion and so on.

And I agree it's all important but it's not the topic here. The cases that it seems to me the CWG proposal that is now part of the PTI proposal and I think Greg by the way is quite correct in this. We want not to be opening that because of the consequences for the overall process.

I think that all of those could be satisfied without worrying about fundamental bylaws because of the specification of the relationship between ICANN and PTI. And there is a point of control there, right, because ICANN has that point of control because it is the customer for the names community.

So if there is an appeals thing that needs to go in, it can probably be specified in - because of what has been proposed. It can probably be specified in that relationship so that individual customers - individual registries that is, if we perceive something going wrong in ICANN have a mechanism of redress through the customer relationship, which is via ICANN to PTI.

That is the place I think to specify that. And I think it can be done as a matter of implementation rather than worrying about it here. That's my suggestion.

Lise Fuhr: Thank you Andrew. I see Josh is next. Josh Hofheimer, go ahead.

Josh Hofheimer: Hi. Yes. I was just going to point out - took a look at - while people were chatting about this issue that in the current second, sorry, second proposal from CCWG that they do contemplate the IRP could be used to challenge staff and officer actions. So it's not just limited to Board action.

So I think you could get to this issue where there's a perceived conduct that is in violation of the mission or the articles or bylaws that isn't necessarily taken by the Board but taken perhaps at the - passed to the Board by staff or the like.

So to me I agree with - I think it was Andrew's last comment that it seems to me that this probably is something that gets resolved through the more detailed drafting associated with implementation.

Lise Fuhr: Thank you Josh. And I see Allan has his hand up. Do you have a mic now?

Allan MacGillivray: Yes I do Lise. I...

Lise Fuhr: Yes. Okay. Go ahead.

((Crosstalk))

Allan MacGillivray: I dial in. It's Allan MacGillivray for the record. I just - maybe I'll ask Josh to clarify. Certainly my reading of the proposal it said ICANN Board and ICANN staff. I don't see PTI staff as being ICANN staff. So maybe you could clarify that. Because that's my original question.

And thinking going - going back to Alan Greenberg. Certainly it's my interpretation that the CWG proposal requires a review mechanism applicable to quote IANA decisions and non-decisions.

So certainly an example of a decision that PTI could take is a simple refusal not to process a request. And that's not a decision of the ICANN Board. It's not a decision of ICANN staff. It's the decision of PTI staff. So I think there is a need to ensure that whatever review mechanism is decided is available in respect of decisions or non-decisions taken by PTI. Thank you.

Lise Fuhr: Thank you Allan. Okay.

Josh Hofheimer: Do you want me to respond on that Lise on the question (Alan) said about PTI staff.

Lise Fuhr: Yes. Go ahead.

Josh Hofheimer: Hey (Alan), you're right. And it refers to the ICANN Board or staff. And I guess that my thinking is that it would be certain staff members of ICANN that would be involved with the governance of PTI.

I'm not imagining a decision that's taken at a lower level at PTI staff that would require escalation directly all the way up through the appeals mechanism.

I was imagining that if there was something that - of that gravity then there probably would be an action against the ICANN Board or perhaps against the staff members that are most affiliated with PTI; the ICANN staff members that are working as closely with PTI because they failed to remediate whatever the wrongful action was of the further subordinate.

Lise Fuhr: Allan, go ahead.

Allan MacGillivray: Thank you Josh. It's Allan MacGillivray.. While I certainly take your point its most likely to involve ICANN staff and the ICANN Board, I can't say that that's going to be the case in all situations. We certainly don't (unintelligible) particularly in the situation of non-action.

So and I'd come back to - I had always read the CWG proposal as applying the review mechanism to quote IANA decisions, which includes PTI staff. And we've seen - we apparently do not have a consensus on this point. So I

don't know where to take it here because I'm personally unconvinced by what I've heard so far. Thank you.

Lise Fuhr: Thank you Allan. And I - anyway we're not going to actually conclude completely on this matrix anyway. And I would suggest that what we do is we go through this matrix and discuss the last couple of points. And then (Jonathan) and I have discussed the - we were going to propose that we have - certainly help us draft the bylaws.

And within the drafting we can discuss these issues. And also we can discuss the matrix as such. And I also recognize that there are deeply concerns about the veto of the budget. And I think we also need to discuss that. I'll come back to the budget in - after the fundamental bylaws have been presented. And then I think we need to wrap this up and go on to the SLEWG update.

But Sharon, if you want to - I think we're only short of the fundamental Bylaw 11.

Sharon Flanagan: That's right. So Number 11 is fundamental bylaws and that just says to undo a fundamental bylaw you also need community say, which is obviously just, you know, to kind of complete the logical puzzle you can't have fundamental bylaws that then could just be - you can just take away what's fundamental and then do whatever you want with them.

So that's more just closing the circle and making sure it can't be - what we've put in place can't be undone. So I don't know that there's really any need to talk about that one. And that's the end of the list that we put together.

Lise Fuhr: Thank you Sharon. Before we go back and discuss the budget a little more, I see Rudi Vansnick is asking for my personal information and understanding

will there be an overall chart with the authorities and the (cascade) order of authority they have over the different element partners in the full structure - question mark.

And we haven't discussed this. But I guess it would be a very good idea to have that and we'll see if can make one. I know we - there's been some done in the proposal of some of the processes. But we haven't done one that's completely connected to the different parts. But we will look into it. I don't know if it can be done but I'll discuss it with (Jonathan) and we'll get back.

And then I'd like briefly because I saw Martin Boyle and Donna in the chat were very concerned about the - is the budget being held hostage by the veto making it - and as far as I understand there is a lot of checks and balances that needs to be done before you can actually veto the budget.

So it needs to be an issue that has been raised before. And you can only - then ICANN has a certain amount of time to come back a new budget and then you can't veto if they have changed whatever you have a complaint about. But I'm not completely into this procedure in the Accountability Team.

But I just want to flag that it's not just to veto on the - you need to have raised the issue during the public consultation on the budget. And if they don't follow this - and I see Greg is piping in and might be an answer to this. Or I don't know if Sharon or Josh can help me. I see Sharon your hand is up.

And before you - I get to you Sharon, there was another question if these procedures are in the bylaws. Sharon.

Sharon Flanagan: Thanks Lise. So on the approval of the budget, it's - I think what the question is when PTI the affiliate comes up with this budget and then sends it up, it sounds like there's concern if ICANN has the authority to veto that budget.

If that's the issue, I think, you know, under just California non-profit law the Board has the power and the duty to adopt the annual budget. So I don't think we can take that away from ICANN. But at the same time, ultimately ICANN knows that the overall budget is subject to veto by the community.

So it would seem to me that ICANN's not going to do things that are inconsistent with what the community wants because it's just delaying the inevitable that if it were to reject something that was appropriate at PTI that ultimately the community is going to reject what ICANN has rejected.

So, you know, kind of mechanically we do need - we do need ICANN as the Board to approve a budget. That's part of its - part of its responsibilities. But I would think that it would all work itself out through the ultimate accountability happening at the top level of ICANN through the community.

Lise Fuhr: Thank you Sharon. Anyone want to add anything?

Josh Hofheimer: Yes. This is Josh. Just add to what Sharon said. And the - I'd actually refer people to Section 7.1 in the second proposal from the CCWG because there was consideration given to this notion that the IANA budget. That's really the way they use that term. In the CCWG proposal they're referring to the budget for PTI. That they do recommend that the IANA budget requires protection.

You know, they - now the IANA budget requires protection as recommended by CWG in the final proposal. And they're proposing two distinct processes with respect to the IANA budget and the ICANN budget so that although they

may - the community power may be used to veto or to reject the ICANN budget as a whole, it wouldn't have impact on the IANA budget.

So it would be - it would be protected and not be capable of being held up because of an issue that somebody has with a larger or an adjacent or separate policy issue that the ICANN budget is focused on. So again, people ought to take a look at Section 7.1 of the CCWG proposal. It's on Page 55 and 56 and seven of that document.

Lise Fuhr: Okay. Thank you Josh and thank you Sharon. Your hand's still up. Is that an old hand Sharon? Sharon, if you're talking, we can't hear you.

Sharon Flanagan: No. My hand is down.

((Crosstalk))

Lise Fuhr: Okay. Okay. Okay. Well, I think we should, as you said Josh, have a look at the - that proposal and we need to get back to the (unintelligible) if it's still an issue. And I propose that we - we have discussed if we were - oh, sorry. I can see Martin your hand is up. Sorry. Martin, go ahead.

Martin Boyle: Thanks Lise. I just wanted to come in quickly because in the light of what Sharon said in that on the two ways matrix we're imposing a requirement that ICANN provide something to PTI in accordance with the approved budget.

What I think I heard Sharon say was that - well, yes but you can't take away the role and responsibility of ICANN to approve and therefore presumably also reject the budget that PTI has asked for.

And then since I put my hand up, Josh came in and spoke about the condition in the CCWG, which I must admit I found quite helpful in that it separates the veto of the IANA budget and the veto of everything else in the ICAN budget. And certainly I take a certain degree of heart in that.

But I'm still - I've still got this concern that if you do not try and indicate quite clearly what the ground for a veto of the IANA budget would be particularly as this IANA budget has gone through its own process through the PTI, then you do have the risk that people will see vetoing the IANA budget and picking up on the IANA budget separately as being a pressure point on ICANN for things that are not related to the IANA itself.

And therefore that's why I'm feeling very nervous about something that didn't make it quite clear what the conditions for a community veto at the ICANN level as opposed to a veto that might come up at the PTI level - so just to make sure that it cannot be misused for reasons beyond that which is specifically related to the IANA. Thanks.

Lise Fuhr: Thank you Martin. And I think you have a very valid point there. Okay. We have 20 minutes to go and we still need an update from the Service Level Expectation Working Group.

But before we come to that and I see Josh hand is up. Josh. And then I close the queue. Thank you. Josh, go ahead.

Josh Hofheimer: I didn't want to - I don't want to take up any more time. Just Martin, there are some concepts or standards that are in that section - the same section I referred to. But it isn't in there that parties also defer to WP2 for further work on the details of that but there are some standards there for why and how a rejection should be done.

Lise Fuhr: Okay. Thank you Josh. Well, the way forward as we have discussed before, we have had Sidley help us out with doing this matrix and we are proposing that it could be a good idea to actually have Sidley help us draft the bylaws that we're responsible for.

We have gone through many of them today. We have some issues that we still need to agree upon. And of those I see two where one is the budget veto. And another one is the appeal mechanism that we need to have a look into. And maybe the drafting will help us but certainly we need to look more into this.

We also know there's a document coming out from the Accountability Group regarding the wording where the actual proposal is inconsistent with the matrix and our proposal. And we need to go through these and also of course have the discussion and the drafting of the bylaws needs to be done in respect of whatever we agree upon on the wording in this group.

So I'd like to ask you if we have support for the Client Committee to go ahead and instruct Sidley to assist with starting to draft the bylaws so we can have these discussed and discuss the procedure with also the Accountability Team.

I need to highlight that there is another procedure going on in the Accountability Team for drafting bylaws. And if we agree on this, we of course would discuss this with the Accountability Chairs and coordinate if we can agree on the procedures also with the Accountability Chairs. Any comments on this?

Cheryl Langdon-Orr: This is Cheryl here. I've put up a checkmark. I'm obviously agreeing with you.

Lise Fuhr: Okay. Okay. Thank you Cheryl. My screen is so small. I am on my laptop. I can't see those checkmarks but thank you. Okay. So we will get the Client Committee gathered (and) together to instruct Sidley to go on drafting the bylaws. So tomorrow we will have a discussion with the Accountability Chairs on how to do this.

And this doesn't mean that we have concluded on the issues that are still being discussed and questioned. And I think that as Sharon also mentioned, we need to discuss if that's going to be a fundamental bylaw or a standard bylaw. That is not settled yet.

Okay. And then I'll move on to Item Number 4, the SLE Working Group update. And I don't know if Paul Kane is on the call but if he isn't or he is. Paul, will you give an update or do you want Bernie to give an update on this?

Paul Kane: I'm happy to and Bernie can by all means chip in if he wants.

Lise Fuhr: Thank you. Go ahead Paul.

Paul Kane: Okay. Thank you very much Lise. So if you remember, the SLE Working Group formerly known as (CCA) has been tasked with defining the service level expectation document. It was also decided that we created a subgroup on the 21st of May, which we did.

And the subgroup comprises of Kim Davis from IANA, Bernie Turcotte from ICANN staff who has been facilitating all of the calls that the subgroups have had. And Adam Smith from my staff working out of our New York office who has no knowledge of the role ICANN does, has no interaction with IANA but he is a specialist in service level agreements and process management and

have been working well with Kim and Bernie to actually get the document together.

They've held 12 meetings since the 21st of May. (Unintelligible) have been over 20 revisions of the SLE documents and counting since March 2015. And there have been three flowchart revisions, the latest one we received a couple of months - sorry, a couple of weeks ago, which is now incorporated into the document.

Currently the SLE document's down to 24 pages. And I'm pleased to say that this week we have held a number of calls where all matters have been addressed. And so the document is very close to being concluded.

The most recent issues were a matter of queue jumping where there was a potential for favored nation status, possibly those registries getting service from IANA ahead of other TLD registries be they gTLDs or ccTLDs. We have a mechanism to try and reduce that or reduce the opportunity of discriminatory practice. And so I'm fairly confident we can assure the community of (unintelligible) from IANA.

There's no evidence of - see I've been working with IANA for many, many years, decades. And I have no evidence. But it was felt by the group that we need to have wording to ensure a non-discriminatory practice by IANA.

In recent days the - there has been a request that we look at emergency procedures and I have a question really for the escalation group as to what if any requirements they have with respect to trying to have a service level or having a timeframe for emergency changes to be fulfilled.

All of us who were in Istanbul heard David Conrad, the former IANA Manager and now the CTO of ICANN, indicate that there is a four hour time window. That could be a little prescriptive from start to finish for an emergency change. But I'd be interested on the views of the CWG as to how we if at all address that.

So the long and the short is we are very close to having a finished document. I'm hoping early next week actually to have that document concluded incorporating all of the issues that were raised during this week's call.

And working on - there are only very minor changes. Working on the premise that we do a proposal as it goes to the working group - the full working group again for ratification. Then it'll come back to the CWG for members for approval.

And then once the CWG have effectively signed off on the document, it'll go back to IANA for an implementation plan, which breaks into two parts. One, the budget to fulfill the criteria specified in the SLE documentation but also under the term for the current NTIA contract with ICANN any significant change to the IANA workflow needs to be addressed and approved by the IANA - by NTIA, apologies.

And I want to emphasize we're not proposing any changes to the workflow. What we are proposing are basically capturing the time taken on current practices. The current practices just capturing the time. To be safe it's deemed appropriate to ask NTIA for their approval.

Working on the premise NTIA give their approval and working on the premise IANA allocate the budget to ICANN, the implementation phase will

start and any co-changes to extract the times from the current system will be made.

And then it is proposed to have a two - the two or three-month period in which ICANN, IANA can capture real world statistics and make those available to the working group. So collectively that's IANA, ICANN and the working group can determine the thresholds that everyone is comfortable with based on the real world statistics and also validating that the SLE that we are proposing does indeed fit the purpose.

So all being well, come the date of transition whenever that is we will have an SLE that is proven, tested and with thresholds that are considered reasonable. So that concludes my update to the working group, sorry, the CWG.

And I'm just going to read if I may a couple of comments in the chat. Donna is saying I think the current IANA plan to address urgent/security and stability issues was maintained. And Martin Boyle has come back but shouldn't we have SLEs to back this up.

So what we're thinking of is possibly asking IANA what is their plan and should we have a passing reference to it in the SLE document. That's new - that's a new area for us because we did think the escalation group has covered it.

But I just think it would be sensible to include in the SLE document a passing reference that if an emergency or if a situation is deemed to be an emergency the appropriate changes are made as efficiently and as quickly as possible. So thank you all. Happy to answer any questions that you may have at this stage but I appreciate time is pressing.

Lise Fuhr: Thank you Paul for this very (unintelligible) update. Anyone have any questions for Paul? Bernie, do you have anything to add?

Bernie Turcotte: No. That's pretty good wrap up for me.

Lise Fuhr: Okay. Okay. There don't seem to be any questions. Let's move on. I'm conscious of time. We have six minutes left. And we have AOB left. And one of the pre-defined AOB was progress on CWG input to CCWG public comment.

And another earlier call we agreed to have Sidley help us validate the CCWG public comment and part of this is the matrix and the - well, the document that we will receive actually on - within a couple of days from - the Accountability Group will also help us in identifying anything we need to give input on to the Accountability Team.

So there has not been done any formal yet. But the Client Committee is still to instruct Sidley to help us with this. But (Jonathan) and I thought that we would have the matrix discussed first before we went on to instruct Sidley.

I don't know if there's any questions regarding this. And I can see Donna is asking Paul a question. I'll get back to you Donna regarding the question later. Any questions to these - input to the CCWG public comment? I don't see any. Okay.

I don't know Paul if you're seeing Donna Austin's question to you. I must have missed the timing. When will we see the document is the question for you Paul.

Paul Kane: As I mentioned in the chat...

Lise Fuhr: Yes.

Paul Kane: ...and I mentioned in the...

Lise Fuhr: Okay.

Paul Kane: ...(unintelligible), the proposal is the document is very close to conclusion now. We have the emergency issue that just needs to have appropriate wording (should not) be discussed with IANA. And that will be discussed probably tomorrow.

And then it has to go to the full working group, which we're planning to have a call for the middle of next week, which will ratify I hope the document. And then once the working group have approved it, it will be circulated to CWG members.

Lise Fuhr: Thank you Paul. And actually I don't know what's wrong with my network but I don't seem to be updated on the chat in my Adobe room or in the Adobe room. So that's why I'm lacking behind.

Okay. Any other - does anyone else have anything to any other business? And if you do, you better say it in the audio because I don't seem to get any answer at chat. Okay. There doesn't seem to be any.

Then I'll conclude this call with a quick overview of our actions. And that is that the Chairs, (Jonathan) and I are to draft a decision to the ICG and relevant communities. As (Jonathan) said, this is going to be a very brief one.

And we will also clarify this decision - I need to have some help here (Grace0 because you said clarify this decision for the CC Accountability Group. And that's meant - I'm a little question mark. Grace, go ahead.

Grace Abuhamad: Hi Lise. Sorry. I should have - I'll...

Lise Fuhr: Yes.

Grace Abuhamad: ...fix the note. I was typing fast. But what I - this was in reference to the ICANN budget and IANA budget section. So the position...

Lise Fuhr: All right.

Grace Abuhamad: ...was the approval or veto question and that's the group is satisfied with the veto option. And then it just needed to be clarified for the CCWG.

Lise Fuhr: Yes. And I need to say we still have an open issue with this and we need to discuss it as Martin Boyle has raised some issues regarding this we need to look into before we conclude completely on this.

Okay. And well, on another action and that's actually in line with what I just said is that is the review of Section 7.1 of the CCWG proposal since this is regarding the budget. And the Client Committee will meet and instruct Sidley on the bylaw drafting based on the coordination with the Accountability Group.

Okay. And if there's no more questions or comments, I'll conclude the call completely and say thank you for participating. Very good input and questions and discussions. And thank you for participating wherever you are in the

world. Someone has a very late night call I know and someone is just starting the day almost. So bye all.

Cheryl Langdon-Orr: And thank you Lise. Bye.

Lise Fuhr: Thank you. Bye.

END