LEON SANCHEZ:

Welcome, everyone, to the CCWG Accountability Webinar Session 1 on August 4. We will be holding this Webinar by walking everyone through the set of slides that we have prepared for you, and we will kindly ask you to hold any of your questions until the end. We will be going through all chapters again, but we would like to give you a brief walkthrough of the whole slide set before we open the floor for questions and answers and, of course, the discussion.

And I would also like to remind you to please identify yourselves when speaking to the audience. This is, of course, not only for transcript purposes but also to identify anyone that is raising a certain question. I also kind remind you to mute your mics if you're not speaking. So with no further delay, we will begin this Webinar.

And, as I said, this Webinar is intended to walk all the attendees through our second draft proposal of the Cross-Community Working Group on Enhancing ICANN's Accountability. So will you please pass to the next slide?

Some of you may remember, if you haven't attended or followed the process previously, there are two parallel tracks that have been running since the NTIA (this is the National Telecommunications and Information Administration) announced their intent to transition the stewardship of the IANA functions to the Internet community and [inaudible] ICANN to be the one to coordinate these efforts.

And since then, the ICG has [inaudible] – the ICG is the coordination group that is in charge of building a single proposal that will be, in turn,

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delivered to the NTIA. And the ICG has finalized its interim first draft. I mean, its final draft will be an IANA stewardship transition proposal, and it's currently open for public comment.

And the CCWG on Enhancing ICANN's Accounting has finalized its second draft proposal for Work Stream 1, and this proposal is also currently open for public comment. We will be going into details on the public comment period later in this Webinar, but so far, this is where we're standing at the moment. Can we please turn to the next slide?

So when this CCWG on Enhancing ICANN's Accountability was created, it was envisioned to have a goal of, of course, deliver proposals that would enhance ICANN's accountability towards all its stakeholders. And for this, we divided our work into two working streams. The first one being, of course, Work Stream 1, which focused on mechanisms that would be needed in order to enhance ICANN's accountability, and that must be in place or committed to within the timeframe of the IANA stewardship transition. This is, of course, before the transition takes place.

And the other work stream, Work Stream 2, is the one that focuses on addressing accountability topics for the timeline for developing certain solution s[inaudible] fully implemented on a timeline that would need to be extended beyond IANA stewardship transition.

 So with this, we have these two work streams. These proposals, these second draft proposals [that] open for public comment at this stage is focusing, of course, on Work Stream 1, but it's also highlighting some of the work that will be done on Work Stream 2 by this same group.

So today, the ICANN community and the Board of Directors is organized into three supporting organizations or advisory committees, and while the ICANN Board has the ultimate authority of approving or rejecting all the policy recommendations that are [built] by the supporting organizations, the supporting organizations are responsible for developing and making policy recommendations to the Board.

And the Advisory Committees are the ones in charge, of course, providing advice with regards to these policies that are being built by the supporting organizations, and this advice is provided to the Board of Directors by these Advisory Committees. Can we go to the next slide, please?

So in the path of our work, what we did in the CCWG Accountability was to identify the different building blocks that we thought that were needed in order to better organize and better empower the community. So what we have today with regards to these four building blocks is, of course, the ICANN community, which is, as I said, organized through the supporting organizations and the Advisory Committees.

We have the ICANN Board, which is, of course, the executive power within the ICANN organization. Then we have the principals that are [vested into bylaw] and we have, also, an independent [sales] mechanism, [the IRP] which [inaudible] next to the, of course, [enhance].

So with these four building blocks, we began working on trying to find the different mechanisms that would help us achieve the goal of

enhancing ICANN's accountability. Could we please turn to the next slide?

In the time these new mechanisms, and in order to empower the community, we also thought of escalation paths as opposed to the status quo. And here, the CCWG on Accountability is recommending that the most stakeholder community has more governance power.

And these powers will be, of course, discussed in some later slides, but what we're trying to do is to empower the community and one thing that is very important to emphasize is that even though we are providing the community with more powers, these powers are intended to provide only recourse as part of an escalation [path] in case there is some kind of substantial [discriminate] between the ICANN Board and the ICANN community, and they don't change or interfere with the way we operate today on a day-to-day basis.

So this will not change how things are done on a day-to-day basis and will only be there in case needed if there were any kind of substantial disagreement between the ICANN Board and the ICANN community. So these additional powers would not impact, as I said, the status quo of how community operates or introduce new risks to the community or its members.

With this, I'll turn to Thomas for the next slide.

THOMAS RICKERT: Thank you very much, Leon, and good morning, good afternoon, good evening, everyone. This is Thomas Rickert, and I'm another co-chair of

the CCWG. I'd now like to walk you through some of the proposed enhancements to ICANN's accountability architecture. And on this slide, you will see what you already saw on the slides that Leon presented to you, and these are the four building blocks: the empowered community, the ICANN Board, the principals, and the independent review mechanisms. And can we please move the animation forward?

So, as you know, the ICANN Board is developing a budget, a strategic, and operating plan in discussion in consultation with the ICANN community, and that shall pretty much [inaudible] as well as the ICANN Board will enter into a discussion with the community when it comes to changes to the bylaws.

In order to replace the historic relationship with the US Government, the backstop that the US Government provided, we thought it would be valuable to replace the power that the US Government has and empower the community as such. We will speak to the details of the community powers later in this presentation, but this gives you an overview of what can actually be done.

So if need be, the empowered community will be in a position to review and, as the case may be, reject a budget or a strategic or operating plan that has been agreed upon and voted on by the ICANN Board. So that is a power that allows for the community to weigh in in case the Board fails to take on board the messages it received from the community during the deliberation consultation that's taking place [inaudible]. Next animation, please.

The ICANN community will also have the power to either ask for individual directors to be removed or to recall the entire Board. Now it's important to note that this community power is not based on suspicions against the current Board, but our group has been tasked with looking at worst-case scenarios, looking at contingencies. And one of the contingencies that ICANN needs to be safeguarded against would be a rogue Board. And, therefore, the community felt that the community power would be needed to dismiss the Board if the Board is acting in violation of ICANN bylaws. Can we move the animation forward, please?

In return, the community, during our first public comment period, felt that we often need to make sure that we don't only add – can you please mute the speakers of your computers and mute your microphones? Thank you.

The ICANN community has also asked us to make sure that we do not only impose new or strengthened accountability mechanisms on the Board. But what about the community? The community itself also needs to be accountable, just the concept of what we call watch the watcher. And therefore, there are structural reviews that take place periodically in order to ensure that there is sufficient accountability inside the community. Can we move the animation forward, please?

So what's new, and we'll get to that in a moment, is that we have introduced the concept of fundamental bylaws. So our set of recommendations entails that we have existing parts the bylaws, and actually huge chunks of the bylaws remain untouched. We would have new ideas that are incorporated into the bylaws, and we will incorporate part of the Affirmation of Commitments, particularly the

reviews, into the bylaws. And then we will add more robust fundamental bylaws. And they are called fundamental because they are so important for ICANN as an organization, and these are bylaws that are harder to change. So, basically, the principles that go into the bylaws form part of the constitutional document of the organization. Can we move the animation forward, please?

Also, we looked at enhancements to the Independent Review Process. As you will remember from Leon's intervention, that is the judiciary. If you take the analogy of the state, and so the IRP process is also enhanced, but we will talk about that separately. Can we move to the next slide, please?

So I hope everybody is well there. Can you please mute your microphones? So we will now work through the components that are introduced [to you] on the previous slide. Now the upper left hand side of the side, you will remember there were the principles, the ICANN bylaws, and what we did is we reviewed the mission statement and we also took a look at the core values, and we split those into different two subsections on commitment and core values.

And that is, basically, to provide a foundation – a robust foundation – to ensure that there is no mission creep inside ICANN, that ICANN's mission shall be focused on the secure, stable, and resilient management of the DNS that ICANN is working bottom up using the multi-stakeholder model. That it is private, that we explain exactly what this privatization, if you wish, means, that we have different components of the stakeholder model, we explain that ICANN shall

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abide by the policies that are developed by the community, and we can easily get back to that during the discussion and Q&A phase of this call.

But this is just to let you know that the fundamental ideas of how ICANN shall work [inaudible] duration of the reviews stemming from the AOC. And then, as we will talk about, the judiciary, the Independent Review Process, that will check whether ICANN's actions have been in compliance with ICANN's constitution, if you wish, with the bylaws, and infringements of those can then be determined by looking at exactly the mission, commitment, and core value. So this is just a very brief overview of what we did structurally to the principles. Can we move to the next slide?

So we can go through this relatively quickly because I already explained to you that we will leave big parts of the bylaws untouched. We will have new ideas, we will have the AOC reviews in there, but then we have these fundamental bylaws. Fundamental bylaws, as I mentioned, are harder to change. So while standard bylaws or ordinary bylaws can be changed by the Board with a 2/3 majority, we're now looking at a set of bylaws where a higher threshold is needed in order to provide for change.

As you will recall, and as you will truly share, there is the view held in the community – in big parts of the community – that ICANN should stick to its mission and that it should not embark on journeys that are outside the mission. So we want to make sure that the mission and cores values are limited. At the same time, we are all cognizant that ICANN is working in a rapidly changing environment that may require ICANN to change its mission. And, therefore, we said there must be

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flexibility but, at the same time, in order for the organization to change its remit, a high threshold of support within the community is required.

And in order to make sure that these ideas are not undermined, the mission, commitment, and core values themselves are made fundamental bylaws. The IRP is going to be fundamental because we don't want any Board to change the bylaws and remove the judiciary part of the organization. Then, the way it works when it comes to changing the bylaws, the community mechanisms as a sole member, we will speak to that in a moment. But the legal vehicle for exercising the community powers will be the sole membership model where all the constituent parts of ICANN's community make [one thing] a member of ICANN.

Then reconsideration, rejection of budget strategic plan, the community powers that I explained to you will be enshrined in the fundamental bylaws as well as certain reviews that the CWG came up with and, also, the post-transition IANA governance and Customer Standing Committee structures will be fundamental bylaws in order to ensure that these cannot easily be abandoned, but that they are, rather, perpetuated for ICANN's future. Can we move to the next slide, please?

The IRP (the Independent Review Process) has been criticized by many for just providing the tools to have checked whether ICANN has played by the rules, whether procedural aspects have been abided by. So there is the possibility of decisions being materially wrong, but since process has been followed, there's nothing that can be done.

So we wanted that to change. We wanted to make sure that the IRP can be used to also have the merit of the individual case success. We want to be truly independent and, therefore, we wanted to make sure that we have good, independent experts standing by so there is a Standing Panel, a pool of experts, of at least seven individuals, and these will be, then, the pool from which three panelists are chosen. One from each party and a third panelist will be chosen by the panelists that have been picked by the two parties.

So the details of this process were thought to be fleshed out, but I think what's important to note is that this IRP – and I alluded to that earlier – is meant to be a tool to determine whether ICANN has acted in violation of its bylaws. But there are more facets to it, one of which being to reconcile conflicting decisions by expert panels. Some of you will remember that we have such cases in the course of the new gTLD program, and also, the IRP will be or can be invoked when the rights of the sole member – or the community member, if you wish – are concerned. Let's move to the next slide, please.

We also looked at the reconsideration request process and considered, and now recommend, enhancements to that process. And these are briefly mentioned in the boxes that you see here. So let's walk through them briefly. That would be expanding the scope of permissible requests. So basically, it's Board or fast action or inaction that, again, is in violation or in contradiction to ICANN's mission, commitments, and core values, where we recommend to extend the time for filing from 50 to 30 days. We make it harder for the requests being dismissed.

Also, we will require ICANN directors to make this determination on all requests after receiving the recommendation from the BGC. And for the initial evaluation of the case, we recommend that ICANN is not using its legal team or its own legal counsel to have an initial assessment of the case, but we want to strengthen the ombudsman's role due to the independent and the expertise that he has, and that shall advance the quality of the decision making.

There shall be the opportunity for the requester to rebut in order to make sure that his or her views are heard before a decision has been made. And, ultimately, we're going to suggest various enhancements to transparency requirements. So there shall be a decision, for example, in no longer than 120 days from the date of filing. And, ideally, it should happen within 60 days.

So I think with that, we can move to the next slide. And I heard that Leon's call has dropped. Leon, are you back online? Okay. So I would suggest that in order to make best use of our time, I will continue showing you through the next slide, and I would hope that we get a signal, or I will get a signal, once Leon is back so that he can take over. Because we wanted to take turns presenting to you in order to make it more interesting for you to hear different voices every now and then.

We now come to the community mechanism as a sole member. Can we move back to the previous slide, please? Those that have read the first report we published for public comment will remember that we had a different reference model at the time. We were suggesting a reference model whereby the SOs and ACs use legal entities, and we

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recommended that these could be unincorporated associations under California law.

Likewise, structures that can be easily be set up that would be used by the SOs and ACs to exercise their voting powers and enter into a legal relationship with ICANN, which is required for the community powers to be enforceable, should there be a need for that. And there were some criticism because commenters said, "Well, if you have all the SOs and ACs being members of the organization, what if one of them chooses to file a derivative lawsuit? What about statutory rights that they have in California? Will the organization be weakened or will it be disrupted if we give these powers to SOs and ACs? So can that actually have unintended side effects?

And that was the reason why we looked at various models, and I just highlighted the issues with the first reference model. And what we then did was come up with the idea of the sole member model, where the community has acted as a sole member without needing to change anything. So, basically, the SOs and ACs would, as they do today, make policies, they advise, they consult with the Board, and the Board then takes action.

And only in the instance where the Board takes action that is not reflecting the community's wishes, then the community powers that are or will be enshrined in the bylaws can be invoked, and then each of the SOs and ACs that wish to vote can exercise voting powers through the mechanism as a sole member. And then there could be recourse.

And since this is [all put in] to the bylaws, there is no change required to the SOs and ACs, so they don't have to transform themselves into anything else, so we will just have this construction of the sole member, which can be used as a place where both [are cast] in order to influence Board decisions.

I think I should leave it there. We will get to that. I'm sure that you will have questions, but that is the most [inaudible] explanation that I can give you at the moment. Can we move to the next slide?

LEON SANCHEZ: I am back, Thomas, if you want to [inaudible].

THOMAS RICKERT: Okay. Happy for you to take over.

LEON SANCHEZ: Thank you very much, Thomas. I'm sorry for the hiccup. Well, as Thomas was explaining, as I told you earlier in some of the slides that I was presenting, we want an empowered community. We are designing mechanisms to have an empowered community. And what are these powers? These powers are [inaudible] powers that will enable, of course, the community to not only hold the Board accountable, but also to achieve different goals by exercising these powers.

So the first power would be to reconsider, in any case, where we get the budget or strategic and operating plans. And this power will be given to the community so they have the ability to consider other strategic and

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operating plans and budgets after they are approved by the Board, but before they come in to effect [and rejected].

So we already have budget [comment] while [inaudible] [comment]. But what this would do is that would give the ability to the community so in ultimate [stance] to reject and block, of course, the budget or strategic plan.

The second power would be to reconsider and reject changes to the ICANN [inaudible] bylaws that [inaudible] was [highlighting]. There would be the need for the community to, with regard to standard bylaws, which let's remember that these are different than fundamental bylaws. The community would be empowered to reject any bylaws proposed by the Board of Directors if the community thought that those bylaw changes will be contrary to [inaudible] or ICANN's mission, for example. So, this would be a new power [vested into] the community, and they could reject these standard bylaw changes.

The third power would be the power to approve changes to fundamental bylaws. So this is different from the second power because the second power centers in reconsidering all rejects in standard bylaws changes, but this one requires the community to actually approve changes to those bylaws that are – I think that I'm not being listened very well. I see some comments in the chat that my audio quality is not the best, so I hope this is better.

As I was saying, [approving] fundamental bylaws would be the third power for the community, and this would require that any change to bylaws that are categorized as fundamentals would need to have

approval from the community before they go into effect, and [inaudible] higher threshold than the regular voting for standard bylaws changes.

The fourth power would be to remove individual Board members, and by this power, the community or the organizations that appoint them [inaudible] director could end this Board member term and trigger a replacement process. [Inaudible] approach is consistent with the law and that the appointing body is the removing [party]. We have had very thorough discussions on how to implement [inaudible] individual Board member removal, and you will be able to see the details in our second draft proposal, so I definitely encourage you to take a look at the whole document.

The fifth power will be the ability to recall the entire ICANN Board. This power would allow the community to remove the entire Board of Directors, and this is of course expected to be used only in exceptional circumstances. Actually, we don't expect this power to be exercised, but we do have in mind that this would be a very useful tool if and when needed.

So these are the five powers that the proposal provides the community with so they could be exercised through the community mechanism, that sole member, as Thomas previously explained. And now we're going to see a couple of examples of how we would be exercising these powers, so if we could please move to the next slide.

So [inaudible] the powers, how would these powers will be exercised by the community? Of course, we are talking here at a high level on a general level. There might be some details that are not in this slide, but

they are surely covered in the larger document. And let's say this is a general flowchart of how the community would exercise its powers.

And first, the cost, of course, would be that the ICANN Board or a Board member's actions cause some significant concerns to members of the community would trigger [a fission]. And this [fission] would be raised by at least one SO or one AC, depending on the powers that the community is trying to exercise. And this would start a formal discussion and the decision [taken] about whether they community will exercise an actual power or not.

And, generally, there would be a timeframe of [15 days] to begin this process of petitioning and triggering the whole mechanism. And then the [step two] would be discussing, of course, whether the rest of the SOs and ACs are okay and are on the same page with regards to the exercising the power, [the act to be] exercised on the petition. And for this, there would be also a period of 15 days starting after the day that [inaudible] petition has been received.

The third step would be to actually take a decision, and for these, the SOs and ACs that have voting rights in this community mechanism of sole members would cast their votes and decide whether to exercise the power or not. This decision period would also last for 15 days, and this period would start after the conclusion of the discussion period.

When this comes to an end, we would, of course, have as an outcome that the ICANN Board would need to act in accordance to the community's decision. So with this, the community would be able to exercise the five powers that we have tried to vest into them through

the community mechanism as sole member model, and this would be a general flowchart of how to achieve a decision based on a position, and of course, a [cause for this]. Can we switch to the next slide, please?

So now let's see an example of reconsidering or rejecting cases to ICANN's standard bylaws. So the [cause] here would be that the Board wants to amend the standard bylaws in some way that the community does not approve. Currently, we have a period in which we can comment on bylaws changes. And what this would do is to actually enhance this process. That's what we were talking about in about enhancing ICANN's accountability. This would provide, of course, a way for the community to act in case the bylaws changes are against the needs or [inaudible] the community.

So this petition would trigger the process of the use of this community power, which is rejecting or reconsidering standard bylaws [inaudible]. We would need to have a single majority. This means enough votes to [trigger] 50% of that SOs or ACs governing body. And, as I said in the previous slide, the petition would need one SO or AC to begin its existence.

So the next step would be the discussion by the whole community, and this would happen between all SOs and ACs through the community mechanism as sole member model. And here, they would discuss the proposed use of the power. For this, there would be a mixture of formal and informal discussions, advice, [aspiration], and within the forum and informally within the SOs and ACs. And, of course, the SOs and ACs will be able to carry these discussions according to their own procedures, and of course, expect there would be a wider discussion between SOs

and ACs [inaudible]. So this could be lead to the first [step, which] would be the decision.

[And here] the SOs and ACs would cast their votes to decide whether the power will be used or not. And, in this case, the Chair of each SO and AC would be responsible for communicating the votes of the SO and AC to the ICANN Board.

To succeed in this particular case, which is reconsidering or rejecting the change to the standard bylaws, we are considering to require a 2/3 support level within the community mechanism, and this will of course have as an outcome that the Board would need to absorb the feedback from the community, make proper adjustments to the bylaw change, and propose a new set of amendments to the bylaws as [per judicial] process.

And here, it is important to highlight that this process wouldn't allow the community to actually redraft the bylaw, but it would only allow to reject the bylaw change and provide feedback to the Board so that the Board could actually redraft the bylaw itself, and then come back to the community with a new proposal. Can we go to the next slide, please?

So in this example, we see the power of recalling the entire Board. And here, of course, because it's a set of problems that have become so entrenched that the community wishes to signal its lack of confidence in the Board. So we're talking about a whole or entire Board removal. So the petition would initiate, as usual, with having – well, this is [a specific] case. In this case, since we are talking about whole ICANN Board removal, this would need a special trigger, which is that at least

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two of the SOs or ACs, of which must be an SO, would create a petition. And these would be indicated, as well, as by having a simple majority within each SO and AC, according to their [inaudible] consider and governing bodies.

This will trigger the discussion within the whole community to find out whether this power should be exercised or not, and this would be carried out in the same way as we discussed in the previous slide by a mixture of formal and informal discussions, advice, and consideration within the firm and within each of the SOs and ACs according to their procedures.

And this would take us to a decision in which the SOs and ACs would cast their votes in the regular procedure, as highlighted in the previous slide. And the Chairs of each SO and AC would be responsible, again, for communicating this to the ICANN Board. In this case, the voting threshold for the decision or the power to be exercised is being proposed to be 75% of all the votes available within the community mechanism, a sole member, and will have to be kept in favor of the [force] of recalling the Board for this to be effective.

And the outcome will be that the Board will be recalled and there would be the need for an interim Board to replace the actual ICANN Board, except for the President, which is the CEO of ICANN.

So can we please move to the next step? And I will turn back to Thomas for this next slide.

THOMAS RICKERT: Thank you very much, Leon. And this slide deals with who has what influence in the community mechanism. You have learned about the single-membership model, but the question then is how are decisions made, and what group has what weight when it comes to voting?

As you'll see on the right hand side of the slide, our recommendation is to allocate five votes to ASO, GNSO, ccNSO, GAC, and the ALAC, while SSAC and RSSAC would both be equipped with two votes. The difference in votes is recommended because of the special nature of what SSAC and RSSAC in terms of remit, but also since they are Board-appointed advisory committees.

The number five has been discussed quite extensively, and five got most traction because it would allow for the groups to have one vote per geographic region, for example, and that might make it easier for some organizations to come to terms with how to exercise votes. But having said that, it's important to note that we hope that these votes will never be cast, that the community will be able to continue weighing in via consensus decision making and not by means of voting.

But if it has to be done, then we would recommend the allocation as defined in the table, and it's also important to know that for the initial phase at least, it's highly likely that SSAC and RSSAC will not vote, and the GAC has not yet made a decision whether it wishes to participate in that [scheme].

It's also important to note that we will not have a body or a group where five or two individuals from each of those organizations will get together and cast their votes. This is taking place – or the decision

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making is taking place – in the respective SOs and ACs according to their own decision making rules, so they can have split votes. They don't have to, so that is all left to their discretion.

But important notion is that there are no individuals in there that sit in a council or whatever type of group you might think of together, but the decision making is done within the respective groups after the consultation process in what we call the Community Forum or the Community [Meet] prior to decision making. And then after the community has discussed, after the SOs and ACs have discussed internally, and have made up their minds how to vote, then the vote or the results of the voting would be communicated by the Chair of each SO and AC to the ICANN Board.

So I guess we should leave it there. I'm sure we will get back to that point later during the discussion. Can we move to the next slide, please?

Stress test. We're not going to discuss this in length, but we're certainly more than happy to respond to your questions. It was one of our tasks to make sure that the changes to ICANN's accountability that we recommend do not create additional contingencies. But, also, we have to make sure that existing contingencies that we could imagine, that we took from community input that was in particular presented to ICANN during public comment period that was held after the announcement of the US Government.

So we looked at what contingencies we must safeguard ICANN again, and that was financial crisis or insolvency, let's say, the income from domain registration goes down. How can we ensure that this does not

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negatively impact, let's say, the IANA operations of ICANN itself? Failure to meet operational obligations, legal, and legislative action, let's say, legal action is taken against ICANN to delegate a certain top-level domain name, then we would have failure of accountability that would be a rogue Board, for example, or a failure of accountability to external stakeholders.

So we have fleshed out numerous scenarios. We have looked at what ICANN's current answer to these stress tests scenarios would be. We would then make a determination whether this existing accountability response is sufficient, to counter for the contingency, and where it was not the case, we would test whether the recommendation that our groups comes up with adequately addresses the concern or the contingency.

What I can say – and I invite all of you take a look at the individual stress tests – what we can say that is that we are confident, we are convinced that all the contingencies we have identified are adequately dealt with, particularly with respect to those that were required by the US Government as a condition for the transition.

But we do have Cheryl Langdon-Orr and Steve DelBianco who led on that effort with us on the call as we do have Becky Burr and Jordan Carter. And when we come to the Q&A, you can tap on their wealth of expertise, and they will gladly answer all the questions you might have. Next slide, please.

I'm going to keep this very brief because you will have heard all of this already. We make a distinction between Work Stream 1 and Work

Stream 2. Leon has spoken about that at the outset of this Webinar. Then what we're doing now is we will hopefully finalize our Work Stream 1 recommendation [inaudible] adopted by the chartering organizations at the upcoming ICANN meeting in Dublin.

We will then move to the Work Stream 1 implementation, and in parallel, we will work on the items that we listed as tasks for Work Stream Number 2. And then, at the end of July next year, we will start on Work Stream 2 implementation. But if you look at the box at the right upper side of this slide, there are the items that we want to work on in Work Stream 2.

That [productive] that is dealt with later because it qualifies for Work Stream 2, but this is not being put on the back burner. As you can see, we have a [tiered] plan to work on all these important issues such as remaining questions on jurisdictions, accountability of the SOs and ACs, work around the culture of transparency, diversity, human rights, and, certainly, further fleshing out Operation [inaudible] of our Work Stream 1 requirements. So let's move to the next slide, please.

That is the linkage between the CWG Stewardship and our cross-community working group. You will remember that the CWG has made a proposal. It has been adopted by the chartering organization. The CWG made very clear that in its proposal, it is relying on our group to deliver on certain requirements so that the cohesive accountability framework, including the needs of the CWG. And those are relating to the ICANN budget, so it must be ensured that the community can get its will when it comes to the ICANN budget, and the IANA budget in particular.

There needs to be the possibility to get recourse when it comes to Board action. The CWG has requested for us to include certain aspects in the bylaws, such as the IANA Functions Review, the CSC (the Customer Standing Committee), as well as the separation process. Then they asked us to make certain things fundamental so that they can't easily be changed, and they also made the IRP an integral part of their own thinking.

And as you can see on the slide, we have ticked all the boxes, i.e. we are sure that we have met all the CWG requirements. We do know that the CWG itself has put together a team that is looking at our recommendations because we can speak on their behalf. And despite all communication coordination that's taken place between the two groups, particularly between the leadership of the two groups, we want to make sure that the CWG itself determines that we met all their conditions.

So I think that's the last slide of our slide deck. I would like to ask staff to move us back to slide number six, which is the overview of the accountability architecture. We suggest that we now take your questions and the slide number six will help you refresh your memory on what we can discuss. We would suggest that we first discuss the principles, the mission, core values, and commitment. After that, we are going to talk about the idea of fundamental bylaws, then comes the IRP, reconsideration requests, the [CMSM], the sole membership model. Then we're going to discuss the community powers and the influence that the different SOs and ACs have.

So with that, I would like to open the floor for questions. So do we have questions on the principles? They don't seem to be any at the moment but we can go back to that point. No problem. Do we have questions on the concept of fundamental bylaws? Are there questions with respect to the proposed enhancements to the Independent Review Process? So there a question from Steve Crocker on the AOC review, which as you will remember, are going to be incorporated in to the bylaws. And so I think it's a good point in time in our discussion to hear that question. Steve, I'm not sure whether you're on audio, but if you are, please fire away.

STEVE CROCKER: Thank you very much. Can you hear me? I assume you can. Yeah? Yep. Good.

THOMAS RICKERT: We can hear you all right.

STEVE CROCKER: Yeah. So the idea of incorporating the AOC reviews into the bylaws is a good one. I fully support it. Well, the point I'm going to make has been raised before, but not adequately dealt with. The SSR and the ATRT, the Accountability Transparency and the Security Stability Resiliency Reviews, are solid reviews that should be repeated, should be included in the bylaws.

The WHOIS review has a very deep and fundamental flaw that absolutely must not be included as is. The idea of continuing to look at

WHOIS is perfectly fine, but there has been an enormous amount of work and an enormous amount of money and time and energy spent trying to fix the – lead a path away from the, presumptions that are built in to the existing language in the AOC document.

And perpetuating those words without addressing that would be an extreme mistake for consistency if those are put in, that it would mean rolling back the work that the Expert Working Group has done, killing off the work that the GNSO is doing in policy development in this area, and in general, turning away from any attempt to improve the WHOIS system.

There's probably another discussion to have about the competition choice issue on the fourth review, but I'm particularly concerned that it would be perpetuating a mistake that was first made in 2009 when the language was drafted, and the opportunity to fix it was pushed back, and I'm strongly opposed to including those words. It is a tiny, tiny, tiny small point, but it is pretty fundamental to a serious piece of work that's been underway for at least three years.

THOMAS RICKERT: Thanks very much, Steve. And in order to answer that question, I would like to hand over to Steve DelBianco, who's been the penholder for the [inaudible].

STEVE DELBIANCO: Thank you, Steve. Appreciate that point, and I know you brought it up a few times before, and the CCWG has two reactions to it. The first is we

are not perpetuating anything in the review. In fact, page 77 of the proposal suggests that the ATRT – that's the Accountability and Transparency Review Team – will have the power to assess and make recommendations for terminating or amending any of the other periodic reviews, including the WHOIS and Directory Services Review, and recommends additional periodic reviews. The idea there is to enable one of the review teams –the ATRT – to terminate or amend other reviews in just the way that you're suggesting. And, yet, that would be done as part of the ATRT's review and public comment process.

The second is that in bringing over the Affirmation of Commitments, we were very conscious to bring over the AOC as close as possible to the commitment that ICANN has made in the AOC. And those commitments wanted to be preserved, at least until the community can review and amend them through the mechanism I just discussed.

And, finally, I'll note that in response to concerns like yours, we made sure not to incorporate the commitments that are the front end of each of these reviews as part of the ICANN fundamental bylaws. Instead, they're just part of the [text] surrounding the actual review. So the threshold for that change is, of course, much easier and lower. I really think that it was a way for us to both honor our commitment to bring over the AOC and to still be flexible enough to change it over time. Thank you.

STEVE CROCKER: Thank you, Steve. I understand and appreciate the perspective you're coming from. That is, from my perspective, completely unacceptable. It is a passing of the ball. I understand you're operating under pressure and I understand that you didn't really want to think hard about it, but nonetheless, it is a disruptive and inappropriate thing to do.

UNIDENTIFIED FEMALE: Wow.

THOMAS RICKERT: Thanks very much, Steve. We will take good note of your comment, as we would take good note of all the other comments that would surely be made during this conference call. I'm just checking – we have some questions in the chat, some of which have been answered in the chat already. Since I spoke, I haven't really followed which of the questions were remained to be open.

I would suggest that we first check whether there are questions with respect to the reconsideration process. I saw a question from Steve Metalitz and one from [inaudible], which better fits to later sections of our discussion. So are there any questions from the group on the enhancements to the reconsideration process?

So there don't seem to be any, which is why we can then move to the community model and the sole membership model, and I think that Steve's was under [inaudible] review requirements, so we take that later. Let's then go to Chris's question, which I'm going to read out for you.

"I have a question on the CMSM. The CMSM has, for example, five RIR members, one for each of the RIRs, and five GNSO members, i.e. one for the 1000+ gTLD registries. This is an apparent disparity, but I'm interested in the discussion that led to this model so I can better understand it. There is a similar disparity that there are only five ccTLD members."

Since this was a part of the deliberations of the groups that Jordan Carter has led, I would like to invite Jordan to respond to that question. Jordan has no audio. I would suggest we shelf that question for a second while Jordan provides an answer. I think it's appropriate for him to step in. Are there more questions on the single membership model and the voting rights?

So [John Nabath] [inaudible] ask the [above] [inaudible]. Trying to find John's question. [John], can you please...? [John Nabath], can you please copy your – "Shouldn't the voting be weighted depending on the issue? For example, if it is a gTLD issue, should the GNSO vote be weighted above that of the ccNSO and ASO and vice versa?"

I would suggest that Jordan, who is now with us on the audio, respond to the two questions that we have in front of us. Jordan?

JORDAN CARTER: Thank you, Thomas. It's Jordan Carter here from .NZ. I'm the rapporteur for Work Party 1, which dealt with the community empowerment. In terms of the votes for each of the SOs and ACs, I think that the primary motivation for the three as having the same voting weight was that

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each of them is a core customer group of ICANN, particularly at the IANA functions.

And so, as such, they all have a set of functions delivered by the organizations that are essential to their business. And, as such, there was a sort of proposal to have equal representation between them, and that was extended in the model that the majority of the CCWG wanted to the GAC and the ALAC, as well. So all five connected to the both communities outside ICANN and so it was felt that giving them the same representation was reasonable.

And I think the other question was the one about different weights depending on different [issues]. I think we're anticipating for most of the work that I've done, things will happen as they are today. Certainly [inaudible] policymaking business of the ICANN system will be happening through the SO PDPs as it is today. And these accountability powers [inaudible] manage the [inaudible] supporting organization as a whole to account for in the specific case [inaudible] losing a particular director, the appointing SO and AC acts.

So that's why there hasn't been still trying to second guess when an issue might relate more or less to a particular SO or AC in adjusting voting weight. To be honest with you, that wasn't a proposal that came up in the deliberations of the CCWG with any great support behind it.

UNIDENTIFIED FEMALE: Take a picture of it.

THOMAS RICKERT: Thanks, Jordan. There is continued discussion on that question in the chat, and not sure whether the request to take a picture of it was directed at me, but I certainly don't have a camera at hand.

I would like to add that when it comes to the point that John made to give different voting weights depending on the subject matter, the community powers that we are proposing are last-resort powers. And things such as the budget or a rogue board that needs to be dismissed because it acts in violation of the bylaws and that it doesn't listen to the community's wishes, I think that is something that affects all parties, and, therefore, that would not be a GNSO or a ccNSO-related issue.

When it comes to individual groups, or even individual community members or groups being affected, there is the possibility of using the IRP for [to brief] parties. So that is maybe under the tool to be used. So please do see the community powers only as last-resort mechanisms, where the weight might not be that relevant.

There is another question in the chat from Kristina Rosette. "Apologies if this was stated at the beginning, which I missed, but will the CCWG answer the question put into the chat [inaudible] responses to whether or not it's [indeed]?" I should think that it's a good idea and we could do so briefly. I think compiling a Q&A is something very valuable, and we will continue to work on that. Actually, staff is working on that aggregation as we speak. So Kristina, you can rest assured that this was [inaudible] of the community.

Okay. There is a comment from Steve that not all of the community powers are last-resort powers, [i.e.] the view of the bylaw amendments

that affect only one SO. Steve, let me try and answer to that. We have two community powers dealing with bylaw changes, one of which would be related to standard bylaws, the other to fundamental bylaws. Both of which has in common that they shared an extensive consultation between the community and the ICANN Board.

So, ideally, the Board will only take decisions on standard bylaw changes after having consulted with the community in a fashion that ensures that the community's wishes are adequately reflected in the bylaw change. And so I'm not sure... I would still see this as a matter of last resort because the community power only needs to be invoked in a case where the ICANN Board does not honor the wishes of the community.

Let me check with the list of questions. Okay. So we've now discussed the single membership model. Are there more questions from this group with respect to the single membership model? Then let's maybe move through the community powers.

So if we could move to slide number 12, please. So on this slide, you can see the various community powers, the process of how the community powers can be exercised has been described to you, but I think this slide might serve as a nice overview for you to consider whether you have questions on the various individual powers.

I would pause for a moment to give you the opportunity to go through budget, strategic operating plan, changes to ICANN bylaws, changes to fundamental bylaws, removal of individual directors, and recalling the ICANN Board entirely. Are there any questions with respect to these powers?

There don't seem to be any questions with respect to these powers. Obviously, Leon has done a sterling job in presenting them to you.

So there's a question from John: "Thomas, the community can reject the bylaw proposal, but what if the Board rejects the proposal?" And since this is one of the community power-related questions, I will suggest we go to Jordan again to answer that.

JORDAN CARTER: Hi, Thomas. Can you hear me?

THOMAS RICKERT: Yes. We can hear you all right.

JORDAN CARTER: Okay. Great. Thanks. So John, to answer your question, the standard bylaws power only triggers when the Board proposes a bylaws [change]. The process today is that the Board's [inaudible] the community bylaws change emerges. There's a 40-day public comment period on it. The Board looks at the public comments that are coming, and then approves the change or modifies it, consults again, whatever.

It's only after the approval happens that the community power window is triggered. So if the Board never does approve the bylaws change, then there is no bylaws change for the community to consider it. In other words, we're not creating a power for the community to initiate bylaws changes on its own. With the fundamental bylaws changes, again, it's expected that the proposed changes will emerge in the usual way. In

that situation, both the Board and the community do need to approve the change. But, in that case, if either party declines to do so, then the bylaws change doesn't go ahead.

THOMAS RICKERT: So John, I hope that answers the question. We have another question from Steve Metalitz: "Does CMS and process [apply] only to the five powers enumerated on slide 12?" Jordan?

JORDAN CARTER: Thanks. So on slide 12, which is in front of us, does the process only apply to those five? The process that we talked through in respect of standard bylaws and stuff does only apply to these five powers. The community mechanism in sole member will have some of the powers that are set out in the California legislation for a member of a corporation. And those are [inaudible] legal members that function appendix to the support. But to exercise the [inaudible] requires a very high threshold.

The logic behind using the community mechanism of sole member is that if all of the powers that are listed on this slide can be enforced, so they're [solidly founders].

But we're not proposing that the community mechanism would be used to interfere in PDP processes or any of the other usual ICANN decision-making processes. So this mechanism doesn't sort of introduce itself. It's all of the other work that ICANN does is just aimed at these powers.

THOMAS RICKERT: Thanks very much, Jordan. I think all questions in the chat have been answered or there has been the attempt to start an answer, but there's continuous discussion between participants of the call, which is a good thing. So there is no queue with more questions. Let me, then, ask you whether you do not agree that our proposals do enhance ICANN's accountability. Do you think that we have done a poor job in enhancing ICANN's accountability? Please let us know.

Or if you think we have missed something with a set of recommendations that we came up with to safeguard ICANN against the contingency is not complete, please let us know.

Steve thankfully reminds that the question on the question CWG requirement has not yet been answered. So let me read it out for you again. "What is the basis for CCWG [conclusion] it has met all CWG Stewardship requirements? It has not made ccTLD re-delegation decision subject to review."

And that was a part that Steve DelBianco has been working on, so Steve, I'd like to turn over to you to respond to that.

STEVE DELBIANCO: Thank you, Thomas. Stress test 21 is specifically designed to ask whether community or aggrieved parties could pursue [inaudible] through an IRP on the revocation or reassignment of a ccTLD manager. That was discussed extensively at the beginning of the work of the CCWG, and we realized that it affected both the IANA side and the greater ICANN community.

However, we were asked by the ccNSO to respect their ability to generate policy pursuant to the Framework of Interpretation, which they – and I believe even the GAC and Board have recently endorsed. And that that was a process that we shouldn't interfere with in the process of coming up with particular rules here. So it's entirely likely that the ccNSO will provide for policy on how to review, how to challenge, how to handle disputes over revocations and re-delegation requests to ccTLD managers. That's why it was taken off of our table at the request of the parties involved. I hope that helps.

THOMAS RICKERT: Steve, I'm sure you will follow up in the chat with more questions, if you think that answer has not sufficiently answered your question. Do we have more questions? Some [inaudible] are typing, so let me pause for a moment.

I think [John Nabath] commented [inaudible] other questions and we have a question from [Steven Dearhark]. "Would the co-chairs wish to comment on the numerous objections, which have been raised on the CCWG mailing list regarding process, lack of adherence to the [work that was chartered], [inaudible] turn around the documents for discussion to general [inaudible] of discussion and decision making process, etc.?"

Steven, I'm more than happy to do so. In fact, our group has been working for many months now. We have started our work at the end of last year. We have held weekly telephone conferences and we had multiple face-to-face meetings where the whole group met for multiple

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days in total. And what you find in this report is the work result of an iterative process.

So it's not like the community or the Working Group has been confronted with hundreds of pages of new material, but we have used our first report, we've analyzed the responses we got in the public comment period. We've then updated our report in the areas where concerns were raised. And sometimes, on sections as big 10-20 pages, there were only a few lines amended, and we have, particularly the rapporteurs that have held the pen on the individual chapters, have worked the whole group through all the changes that were made.

In fact, if you look at the overall size of the group, the number of objections we received was very low. And if you look at who has objected against what, certain patterns of individuals that obviously dislike the whole process that continuously objected against what we did. So we do take the concerns very seriously. We think that this is a challenging project that is quite demanding for everyone, but we did this over many, many months.

Also, it's quite normal for bigger projects that, when it comes to finalizing documents, that there is some criticism for being too speedy. What I can say, also, is that a lot of the areas in our report already got broad support not only inside in our group, but also from the community. So what you find in here in big parts already built on consensus that previously existed in this group.

We have some final questions the group continues to discuss, but we think that the way the discussions are reflected in the report gives

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valuable opportunity for the community to chime in and actually help the group navigate and find consensus on the remaining questions. When it comes to allegations of infringement of the charter, there have been some of those allegations over the months, but when you allude to an allegation that has been made with respect of us not adequately determining between members from the chartering organizations and participants that are not representing their chartering organizations.

Let me just clarify that, at the outset of our work, we made clear as co-chairs that we wanted to this process to be as inclusive as can be because some participants felt that maybe they are second-class participants in this group, that members have the final say anyway, and we want this to be truly consensus-based. And, therefore, we said if we can, if there is sufficient consensus in the group, we're not going to have the members vote on the outcome, and that will be the only instance where we have to make a distinction between the members and participants.

So we wanted to treat – and we still do want to treat – members and participants who have done an equally valuable and good job in supporting our common goal of enhancing ICANN's accountability the same way, so that we don't discriminate anyone. So I hope that this helps answering your question. Please do let us know if there are questions unanswered. We think it's important to get everybody's buy-in, and we much appreciate all the feedback that we received, may it be positive or negative.

So I'm not sure whether there are more questions. I think there aren't, and with that, I would like to hand over to Leon for some concluding remarks.

LEON SANCHEZ: Thank you very much, Thomas. I see Sebastien Bachollet's hand is up, so Sebastien, would you like to do some comments? Sebastien, you might be on mute, or is there no hand? You might be experiencing some [inaudible]. All right. We are not able to listen to you, Sebastien. I would advise to, of course, make your voice heard offline, maybe through the list.

And, well, first of all, I would like to thank all of the people that have worked in building the document. There have been numerous and endless meetings trying to put this together. There have been many very energetic people working on this. And I would like to, of course, acknowledge and recognize the hard work of all those volunteers, and of course, the work of supporting staff that have come along with us on this path.

I would also encourage all of you to first spread the word on the comment period. Let's remember that it was opened yesterday, and will be closed on September the 12th. So we have 40 days for you to comment on this second draft proposal, and we would, of course, welcome as many comments as possible.

I see that Sebastien Bachollet is on the French channel, but we are not able to [inaudible]...

THOMAS RICKERT: Can I suggest, since we are facing some technical difficulties, that Sebastien sends his question in writing and we will publicly [inaudible] the upcoming Webinar on Friday?

LEON SANCHEZ: Absolutely, yes. We will definitely do that. As I suggested earlier, Sebastien, please do make your voice heard in writing offline. And just to finalize this last part of our Webinar, as I said, I do encourage everyone to jump in during the public comment period, and we encourage all kinds of comments. We would like to hear what you like from the proposal, what you don't like from the proposal, and for those comments that you're telling us that you don't like something in the proposal, we would really much appreciate that you suggest a constructive alternative that we can build into the proposal to try to address the many concerns that you may have.

So with this, I would like to thank everyone that has attended this Webinar. There will be another Webinar later this week on Friday, so encourage you to spread the word of this Webinar, as well, and invite anyone that you consider that could be interested in listening to this Webinar to join us.

With this, I'd like to close this call and thank everyone, again, for their attendance. Thank you very much.

[END OF TRANSCRIPTION]