ICANN

Moderator: Brenda Brewer
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Coordinator: Recordings are started.

Chuck Gomes: Thank you very much. This is Chuck Gomes. I'm the lead for Design Team O of the CWG Stewardship. And want to welcome today Jonathan Zuck from the CCWG. And all of the rest of you as well. As far as attendance goes we'll do that from Adobe unless there's anybody that's on the call that is not in Adobe. And if so please identify yourself now.

Grace Abuhamad: Hi, Chuck. This is Grace Abuhamad. I just landed and I'm getting online.

Chuck Gomes: Good. Thanks, Grace. Welcome. Okay not hearing anyone else let's go ahead and get started. This s the 17th of March, St. Patrick's Day. And the agenda is in Adobe Connect there. I'll first ask if anybody wants to make any changes.

And let you know that we're going to move Item 4 up to the first item so that Jonathan doesn't have to stay on the whole call – Jonathan Zuck that is. I see that – welcome, Jonathan Robinson. I'll have to clarify which Jonathan I'm talking to while you're both on. And welcome Xavier and Trang. And let's

see, who else do we have there? I think everybody else we've acknowledge and of course, Bernie, it's good to have you on the call too and Marika.

So…

((Crosstalk))

Chuck Gomes: So – anybody else have any other agenda changes before we go to Item 4? Okay thanks. So as you can see Item 4 it was sent to me, I added a little bit to it just for clarity. But Jordan sent me, yesterday I think, a request to consider co-opting DTO for a bigger group that also deals with some CCWG matters. And I personally was fine with that. So I added a question there. And, Jonathan, or Bernie, either one maybe you can tell us what that – what the implications of that are.

I mean, do you know – I guess one of the things that would be helpful to know is what issues the CCWG has to do with regard to budget and so forth and whether you guys already have a group or you would just invite others. I don't have big concerns about any of those things but just for the sake of the rest of the people in Design Team O it would be great if you could give us a little information there.

Jonathan, is that something you can do?

((Crosstalk))

Jonathan Zuck: Yeah, can you hear me okay?

Chuck Gomes: Yeah, I hear you okay.

Jonathan Zuck: Okay good. So I don't know specifically what was in Jordan's head. But, you know, the meeting that we had in Marrakesh that I organized was literally the (unintelligible) of anything that would represent an implementation team for the CCWG requirement around budget. So you've participated in the sub total of what has happened with respect to implementation other than the issues related to bylaws which is sort of in the hands of lawyers right now.

But in terms of getting into the details of that a caretaker budget might look like, etcetera, all of that was – that was the first meeting of an informal group. So that group of people that was around the table were the people that would probably be interested in participating in broader discussions about what to do about budget. So you saw them all there, Chuck, I don't think there's anyone else.

Chuck Gomes: Okay.

Jonathan Zuck: And then, you know, the primary issue, I think, for us is, you know, defining a, you know, a framework. And a lot of this is going to fall on Xavier, defining a framework for a caretaker budget for the overall ICANN budget.

And then obviously one of the outstanding questions from that meeting that you were at was Xavier's suggestion that we come up with, you know, incorporated into that framework is a caretaker version of the PTI budget and would that go into place as well when there was an overall caretaker budget or would they be sufficiently separate that even the fluff in the PTI budget would remain in place under a caretaker regime in the overall budget.

So it's answering some questions like that that I think are the coordination questions. The actual implementation issue in front of us is just coming up

with a framework for a future CFO to use to put a caretaker budget in place should one be required.

Chuck Gomes: Thanks, Jonathan. That's helpful. And I'm going to pick on Xavier if he'll let me. And, Xavier, I made it through in detail probably 2/3 of the fiscal year '17 budget and operating plan on a flight on Monday. And as far as I can tell the implementation costs for I guess both the CWG Stewardship and the CCWG – excuse me – CCWG Accountability recommendations are going to be handled via the reserve fund because we don't have enough information yet for that. Did I get that right, Xavier?

Xavier Calvez: In the FY '17 draft budget document that you're referring to, Chuck, we are actually leaving entirely open as a question, one, how much we spend; and, two, how this – these expenses will be funded. So we're not assuming that it will be the reserve fund though obviously I think your thought is indicating that it's also what's been happening so far and that would probably be the default position. But we are not indicating one way or the other at this stage in the FY '17 budget.

Chuck Gomes: Thanks, Xavier. But am I correct that with the exception of some things that have been identified, which are fairly minimal right now, there – well I guess I should back up. There's quite a bit identified for PTI I think or the IANA services and so forth. But I don't think there's – are there any dollars in the draft budget right now for implementation of either CWG or CCWG?

Xavier Calvez: There is. We're assuming in the budget that we would move forward with the CWG proposal and therefore implement a PTI. So there are PTI related operating costs included in the budget. What there is not yet is simply mentioned as an action is the cost of finishing the transition related activities about accountability with WS 1. There's no cost for WS 2 as of yet because

these need to be evaluated. There's no cost for the CWG to finish its work including its monitoring and advice on the implementation process and so on.

So the project oriented type of costs and activities are not included in FY '17 budget in terms of an amount. The ongoing activities of the PTI as an implemented activity structure of ICANN presuming that the proposals would go through is included in the budget.

Chuck Gomes: Yeah, okay that's – I think I got it. I don't think I said it correctly but I think that's that I understood in my more detailed review of the draft budget so thanks for clarifying that. And for everybody else, it's not that that necessarily impacts what we're doing in DTO but I just wanted to make sure I was clear on that.

So back to Agenda Item 4 then, have – do we have a record of who attended that meeting in – the brief meeting that we had in – was it in Marrakesh where we had that on the CCWG like the caretaker budget and so forth? Who was in that meeting, Jonathan? I'm blank.

Xavier Calvez: Jonathan sent an email with the…

((Crosstalk))

Xavier Calvez: …substance and the minutes so I think we have that email and we can list…

((Crosstalk))

Chuck Gomes: Oh okay, good. I'm catching up on email because I was at an offsite meeting all day today and yesterday. So I just haven't seen it yet. Jonathan Robinson, please go ahead.

((Crosstalk))

Jonathan Zuck: …it Chuck. So, I mean, it is an email just on the very same day that we met so it has the list of names and sort of what we covered in that meeting.

Chuck Gomes: Oh okay.

((Crosstalk))

Chuck Gomes: I can find that so we don't need to worry about that right now. So that's…

((Crosstalk))

Chuck Gomes: Jonathan Robinson, you had your hand up. Are you on mute? Oh there you go.

Jonathan Robinson: …come off now. Thanks. Yeah, thank you. I just I suppose I'm getting up to speed and thinking this through as we talk. So it sounds like there's a track of work going on within the CCWG which is implementation related and dealing with this IANA caretaker budget and related issues and that's what you refer to just being covered in that email.

We've also got a separate group, as you know, working on the oversight of the implementation in CCWG. And there's some moving parts in that because – and it made me think of that when, for example, Jonathan Zuck referred to the PTI budget because at the moment it's not 100% clear to us exactly how PTI/IANA functions will be implemented and that's sort of work in progress and being dealt with by CWG implementation group. And then you've got this work of the DTO dealing with loose ends.

So I guess we've got to – what I'm least clear on is what's going on in the CCWG track. But I guess we've just to work together on this and make sure that we do reach across these different streams of activity. And obviously someone like Xavier and Trang will help because they've got I guess interest and tracking all of those different areas. But so I just wonder if there was a specific question I had. I think it was really more at the moment is just recognizing that I'm not too familiar with what's going on in the CCWG implementation track.

We've got the work on the CWG and then we just need to be careful referring to things like PTI budget when it may be the IANA functions – all of the IANA functions covered by a budget depending on how our implementation goes in the end. But if I've got something wrong or anyone wants to supplement or, you know, modify what I've said feel free to make any comments. Thanks.

Chuck Gomes: Thanks, Jonathan. And I don't think you got anything wrong. I was probably careless in terms of the terms I was using because what you said is accurate. We still have to work out some implementation details in terms of the structure of PTI and where it fits within ICANN or outside of ICANN, etcetera. And so you're correct on that.

Now the question I have for everybody – I'll throw this out and then I'll turn it to Paul – is does it make sense to combine the CCWG Accountability budget work and the CWG Stewardship IANA budget work into the same group? I personally don't have any objections to that but I would like to have some discussion on that so be thinking about that while I turn it to Paul.

Paul Kane: Thank you, Chuck. And good evening all. So I have to say I am not familiar at all with the work the CCWG. In answer to your specific question, Item 4, should we have a bigger group, I don't have a problem with having a bigger group. I think the more brains involved are better. But I don't think it prudent at this late stage where we have a very defined small and well defined remit for DTO that we try and broaden the scope.

I think if we in DTO, and I appreciate I'm just a new participant in DTO, just relating to PTI and the budget of PTI can just address the issues more or less 1-3, get those done in terms of what the CWG group were thinking, feed that into the implementation group and possibly then merge with what CCWG are thinking that might be a more efficient way of moving things forward.

I don't think we're a long way from actually bringing this whole work item to closure. There was just some ambiguity with respect to the language in the CWG proposal. There was some ambiguity about the CWG's desire to ensure that the PTI was a separate yet affiliated part of ICANN, and I just think that's our focus, to make sure that the budget of PTI, the IANA functions operator, is effectively ring-fenced, it is robust, the staff can – the IANA staff can be assured that they have the resources on a long-term basis – multiple year basis to deliver service.

The work of what ICANN does to be candid, is almost irrelevant to the work of PTI. And whilst the accountability group have done a fantastic job at making ICANN accountable to the community, it doesn't really – or it shouldn't really impact the independent affiliate body called PTI or we referred to as PTI. So I'm worried we're trying to possibly confuse issues at this last minute.

And whilst I welcome a larger group I just want this group preferably to come to conclusion on its fairly well defined remit and then feed that into the implementation group. Thank you.

Chuck Gomes: Thanks, Paul. Chuck again. And before I go to Jonathan Robinson one thing you said I don't think is quite right, the CCWG Accountability recommendations do also cover the IANA services including PTI however that exists. So I don't know if I misunderstood you or not but one of the things that the CWG input made clear and the CCWG responded to I think very effectively was making sure that there was that separation but still the accountability covers – accountability mechanisms covers PTI as well including bylaws changes, etcetera.

So let me stop there and go to Jonathan Robinson.

Jonathan Robinson: Thanks, Chuck. I think (unintelligible) hearing what others say I find myself thinking pretty similarly to Paul in the sense that we've got a – I mean, DTO's job, as I see it, is to deal with some, in a sense, undealt with matters, to chew over some specific financially related matters and bring back those recommendations to the CWG and/or the implementation work of the CWG.

I don't have any objection, like Paul, to any sort of cooperation or even rationalization of the groups but I do have a slight concern that it may detract from the relatively simple focus of DTO to deal with a couple of issues. And so I guess, again, subject to what others might say, my feeling is we keep it tight, get the work of DTO done, try and track whatever is going on in the CWG – CCWG and related budget, you know, ICANN and/or IANA budget related work but perhaps come to integrating the work at a later point. So I guess it's pretty similar to Paul's thinking. Thanks.

Chuck Gomes: Thanks, Jonathan. Chuck again. Let me turn it over to Alan. And it looks like Jordan has joined us too so that's good. Alan, welcome to the call.

Alan Greenberg: Thank you very much. I'm not going to repeat what Paul and Chuck said – not Chuck, sorry, Jonathan said. I agree with it all. I have no problem with some – if Jordan is here and wants to join us and get up to speed on whatever we're doing, fine. But if we're going to go back and say let's widen the group, redefine our charter, merge with another group we're going to spend the next two weeks on organizational issues and I think we can simply do the work instead.

We do need some clarity and things like who is defining what the caretaker budget is for IANA. If that's being done within the CCWG pass fine. We don't need to think about it, we just want to make sure things don't drop through the cracks. So we do need a little bit of coordination. But formally widening the group to be a joint, you know, a merged group or something I would not advocate. Thank you.

Chuck Gomes: Thanks, Alan. Chuck again. And I'm glad you brought up the caretaker budget because as we've been talking so far I question that came to my mind was does DTO also need to do anything about a possible caretaker budget for the IANA services? And so that may be a fourth task that we have in DTO for the CWG.

But, Jordan, thanks for joining us. Glad you could make it. Go ahead, you're up.

Jordan Carter: Thanks Chuck. And sorry I was late. I didn't realize that you guys were going to be changing the agenda order. So I think we might have made a mistake based on a kind of what sounds on the surface like a good idea to not duplicate

groups. And the staff (unintelligible) because both DTO and the small subgroup of CCWG members are drawing up caretaker budget with sort of approaches that would make sense to join the two groups together.

But already from the interventions I've heard in the last five minutes, it may have – it may have been with the lack of understanding about level of detailed work that this group still had to do. And given the timeframes we're under the last thing I or I guess any of us wants to do is slow stuff down.

So I think maybe on that group that Item 4 on the agenda, it might be good if I go back to the CCWG's leadership team and the CCWG next Tuesday and probably we will need to end up just getting our own group going and doing the work that we need to do because there isn't time to slow anyone down. And I agree with Alan's point that if we try and reformulate this now that will be the impact.

Chuck Gomes: Thanks, Jordan. Chuck again. And one of the reasons that we – that I moved Agenda Item 4 up to the top was so that Jonathan wouldn't have to go through the three agenda items we had that are unique to the CWG recommendations and the IANA transition.

So – and one question I have for you and Jonathan Zuck though is do you anticipate – and you may not even know the answer to this yet – but do you anticipate that the CCWG subgroup that's going to work on budget issues like the caretaker budget for ICANN, do you anticipate them also working on a caretaker budget process, or whatever, with – obviously with Xavier and his team – for the IANA services? Or is it your expectation that that would be something that DTO would work on for IANA?

Jordan Carter: My expectation is that that DTO is CWG. We have no desire to try and take a bit of your work. And we have no desire to start stripping bits out of the CWG process. So I think what we would do – we are working with Xavier and so on. And I think we should just stick with that. I don't think that we're going to do anything that relates to PTI or IANA services budget.

Chuck Gomes: Okay. That's what I kind of based but based on Alan's comment I wanted to make sure we got some clarity on that. So we really should – and I think the caretaker budget for the IANA services can be maybe lumped into our third task, and we'll get Xavier's advice on that which is to develop a process for the development or approval of the IANA services budget.

So and just for everybody's clarification, at least as how I'm using the terminology, when I say IANA services budget or refer to IANA services, I'm including, at least for now until we decide to do differently, all of the IANA services with PTI, however it may exist, as a subset of those IANA services. And we can change that later but I just wanted to clarify how I'm using the terminology.

Alan, go ahead.

Alan Greenberg: Two things. Thank you. I only mentioned it because the whole concept of a caretaker budget was only introduced in the CCWG when we were, you know, trying to understand what would a budget veto mean. So in the CWG terminology we never had that concept. So it certainly wasn't part of our charter originally. And I wasn't sure to what extent it was being done within the CCWG work of fleshing out the concept of a caretaker budget or not, that's why I mentioned it.

You know, I think it could be done anywhere but it has to be done clearly or should only be done once and preferably by people who know what they're talking about.

With regard to the terminology we're using of the PTI budget, the IANA budget and things like that, you all know that there some amount of discussion in Marrakesh about just where the work would be done and would PTI actually do all three functions or just one. And I know Alissa came out very strongly when I was talking to her privately at the end of the meeting of – for going along with what was in the current work that Trang is doing of separating the two.

I just note that several people this morning testified before Congress that PTI would be doing all three functions and it was said very clearly and definitely. So I think we may have to – someone may have to rethink just how this is being structured if we don't want to be accused of misleading Congress in this process. Just a little heads up.

Chuck Gomes: This is Chuck. And I didn't get to listen to the testimony this morning because I was in another meeting. But I think the chances that PTI will be performing the services is actually quite high regardless of how it's structured. That could be under a, you know, a subcontract relationship from ICANN to PTI to perform the numbering and protocol services or some other manner.

((Crosstalk))

Chuck Gomes: So I think – I don't think there's too much risk that any testimony was not accurate. But anyway let me go to Jordan. Go ahead, Jordan.

Jordan Carter: Sorry to keep interrupting. But Alan raises an interesting point. The genesis of the budget veto was to make the CWG's requirements for community control over the ICANN IANA budget. So it came out of a requirement from the CWG as far as I am concerned. The actual mechanism (unintelligible).

And it may be that – we've got a paper coming from Xavier that starts to set out that caretaker approach. It's my view that the overall framework for the caretaker budget should be harmonized so it should have similar approaches for both. Various decision makers are fleshing out the detail of what needs to be in the IANA caretaker budget versus the ICANN one, probably splits nicely between these two groups or between the CWG and CCWG.

In other words, from a CCWG perspective I don't want us to try and tell the CWG what needs to be protected and what doesn't. so we can keep harmonizing and keep on track like that.

Chuck Gomes: And this is Chuck again, Jordan. Thanks for that. And, you know, if I can be of any help you probably don't need me but certainly if I can be of help in terms of keeping this harmonized and so forth or any other help I'm more than happy to do that, just let me know. And I know you're working with Xavier too so there will be a good harmonization with that and probably with Alissa as well especially with regard to IANA. So thank you for that.

Jonathan Zuck.

Jonathan Zuck: Thanks, Chuck. And it could be that I don't have too much to add at this point. I think we can operate pretty independently. And the only real crossover topic is the extent to which has caretaker budget is the model, as Alan suggests, for the CWG veto, the way that it will be for the overall ICANN budget. If the caretaker budget is in fact the model that they'll use going

forward I think the remaining question is whether or not going into an ICANN generally caretaker budget would it trigger the caretaker framework of the IANA functions budget as well.

And so that's really the only open questions that crosses over between the two of these things or does that budget remain in its entirety intact in the caretaker framework of the overall budget? Other than that I think we can go off and do our own thing pretty easily.

Chuck Gomes: Thanks, Jonathan. Chuck again. And so we may want to come – have the two groups come together in a few weeks when we get to that point where we're both working on caretaker budgets or certainly we want to sync up in terms of where we're going so thanks for the comments. Xavier, your turn.

Xavier Calvez: Thank you, Chuck. Without trying to offer something that would contradict the approaches that have been suggested not necessarily comingled together the DTO scope of activities in the CCWG, it feels to me that as Jonathan Zuck was indicating, the main topic that's common is the notion of a budget veto for the IANA budget in a corresponding caretaker budget in that the CCWG topic is also of that notion of a caretaker budget.

So I would like to offer to both groups that when I help developing the caretaker budget process and approach from my perspective it makes sense to try tackle both at the same time so that we have an approach that's consistent and not disconnected where it shouldn't though it does not have to be the same if it should be different.

But from a purely process standpoint it is a little bit easier, I think, that we do – that I do tackle both at the same time and then how we share the suggested approach and how we get feedback may be something that we can organize

more specific calls where both groups are invited and can chime in on both aspects so that we allow visibility of who has interest on either the entire topic of the caretaker budget or on the specific aspects of the caretaker budget for IANA versus the caretaker budget for the rest of ICANN.

But I actually think the is some relation between the two that I think the group – both groups would have useful views on. So I don't think the two groups need to be merged as a result of that but I can see the value of having both groups perspectives on the overall caretaker budget topic. And I think it can be resolved by simply having a – one meeting that's common to talk about just that, for example. So I'm just offering that as an idea.

Chuck Gomes: Thanks, Xavier. Chuck again. And I think that's an excellent idea. And it's consistent I think with what everybody is saying. I do want to ask you a question though. And that is it's clear that you've done quite a bit of thinking on the caretaker budget issue regardless of whether it's for ICANN as a whole or the IANA services. Would it make sense from your perspective, and I'm guessing that at least the members of DTO would be okay with this but I'll give them a chance to say.

If you communicate to both groups you are thinking on the – a possible approach to the caretaker budget that we can then consider together in terms of that is that something that makes sense from your point of views since you given quite a bit of thought to it already?

Xavier Calvez: This is Xavier again. Yes, sure. I'm completely fine communicating with both groups on that aspect and maybe using an email list, an email distribution list that we can agree on would have a list of names in it and then we can use that as the group that looks at it that combines both groups, yeah, I have no problem with that.

Chuck Gomes: Thanks, appreciate that. Jonathan Zuck.

Jonathan Zuck: Sorry, old hand.

Chuck Gomes: Okay. Paul Kane.

Paul Kane: So my intervention would be very brief. I think we found a way forward in which the two groups can basically work together. But may I suggest we move swiftly to Items 1, 2 and 3 because time is now pressing. And I think we can deal with 1, 2 and 3 relatively quickly. And I think it'll further emphasized the need for the budget of PTI to be completely separate from the budget of ICANN. I appreciate it's an affiliate body but the direction of travel seems to be that PTI is just a subset of ICANN.

What we've always sought to do was have PTI and affiliate entity within the ICANN framework. And I think if we can get those foundations sorted than a lot of the other confusion will evaporate. But I'm quite keen to see if we can press on with the rest of the agenda.

Chuck Gomes: And I am as well. But wanted to make sure that we made a decision, and we have, with regard to joining the two groups. Let me just ask Jonathan Zuck and Jordan Carter whether they have anything else before we let them off. You're welcome to participate in our group but if you do want to drop off you may. Anything else before we do that? And let's stay in touch obviously.

Paul Kane: Nothing else from my point of view, no. Thank you for the time on this agenda item.

Chuck Gomes: Thank you very much, Jordan and Jonathan, I appreciate it very much. Okay then we will jump back up in our DTO agenda to Item Number 1, which – and this is Chuck speaking. In my own assessment that one is the – maybe the easiest one of our three here plus the caretaker budget which we will do jointly.

But let's start talking about the financial objectives for PTI. And Alan, you have your hand at. Go ahead.

Alan Greenberg: If you want to summarize what was on – in those points first go ahead then.

Chuck Gomes: Oh sure. Okay well I took – and Olivier, thank you very much, for getting this really kicked off on the DTO list. And some of this happened quite a few days ago now. But what I picked up from Olivier's contributions was that the primary objective of a PTI budget is financial sustainability for IANA. And then he then suggested there were two components of that, and you can see them in the agenda there.

The financial stability and financial independence from ICANN. So let me pause there, Olivier, I see your hand is up. You want to comment on that input from you before I go back to Alan?

Olivier Crépin-LeBlond: Yes please, Chuck. It's Olivier speaking. I was just going to add that the reason – because not everyone on the call has been on the previous call. But the reason for this is that on previous calls we did come up with several ideas and plans for caretaker budgets and whatever it was sort of solutions to make sure that IANA was going to be protected one way or the other financially speaking.

And the response from Xavier was that perhaps we should first see what do we want to achieve and then see from there what we need to then design or to do so as to be able to achieve this. So we are working for me and solution and therefore the reason is, you know, what do we want to achieve, and that's what I put then on the list which is the financial sustainability which to me is stability and independence or potential independence, should ICANN be affected negatively by whatever it's doing, that's all. Thanks.

Chuck Gomes: Thanks, Olivier. Alan.

Alan Greenberg: Thank you very much. I have a slightly different take on it. It may map to the same thing using different words, I'm not sure. In terms of the – I'm not quite sure what a primary financial objective is but assuming we gloss over that, I think there are two of them. The first and foremost one is operational excellence, that is the finances must be structured and provided such that IANA can do a good job. So that's number one.

The second one I would see if financial stability not as an adjunct to independent of ICANN but financial stability in light of the fact that we are not independent of ICANN, we are dependent on ICANN for funding. And I think that puts a different twist to it. You know, I think what Olivier was getting at is the logical independence from ICANN comment that is we're not going to be susceptible to perturbations that might affect ICANN immediate year-to-year funding.

But the reality is we're not independent of ICANN and we have to structure things so that we are effectively operationally independent at least on the medium term. So slightly different spin. But I think the first objective is to make sure that PTI or our IANA, whichever way we're using the terms, it is performing a superb job. Thank you.

Chuck Gomes: So you would maybe add – this is Chuck – you would maybe add operational excellence to the objectives however we structure those?

Alan Greenberg: Yeah, I would add operational excellence. And the second one is stability in light of the lack of independence, you know, in light of the fact that we are dependent on ICANN for funding.

Chuck Gomes: Thanks Alan. Chuck again. And Olivier, a question for you and I'll let you answer this yourself. But so when you say "financial independence of ICANN" I'm guessing that you meant probably the same thing Alan is staying in the sense that we obviously I think I'll know that funding of the IANA services, including PTI, will come from ICANN and that's not what you meant from independence but rather if something happens to ICANN a guarantee that the funding for the IANA services continues independent of what happens to ICANN.

((Crosstalk))

Chuck Gomes: Olivier, would you like to respond to that?

Olivier Crépin-LeBlond: You're correct, Chuck. You interpret it correctly. I don't quite know what to call it, should we collect independence? Should we call it financial resilience? We're all aware – well aware that the financing for the IANA operations come from ICANN. The question is there how can we make sure that if something wrong happens to ICANN IANA can continue its operations unhindered. And this is -- don't quite know how to word it. And by the way, what I've just said on there is just a starting point, and I hope that others with a better command of English than me will be able to word this correctly. Thanks.

Chuck Gomes: Thanks, Olivier. Let's go to Paul.

Paul Kane: I have to say no one has a better command of English than you, and you can speak in other languages as well which is even better. So just to focus on these two things. I think we are in full agreement of the need. And I'm just picking up Alan's point, its operational financial independence. I think we understand what the goal is.

Putting on a CC hat, bear in mind many country code operators actually already operate a mini ICANN within their jurisdictions. And so in the past certainly registries have been willing to make a direct contribution to the IANA service operator and have done so in the past.

So the prerequisite that funds can only come from ICANN, exclusively from ICANN, and may not be valid in so far as as part of financial independence they can operate, it should be able to operate services and receive funds directly from either customers or from doing events or whatever. It is affiliated to ICANN, which is a great thing but it does need of financial independence from ICANN to sustain a robust service for the community it serves.

But I think we're dancing around a pinhead so I think we're in fundamental agreement. I'm not sure how you can, from a financial perspective, ensure operational excellence. You have to make sure there's enough money to do the job in a good manner. But IANA or PTI is a technical operation and so it's technical excellence which unfortunately is not necessarily related to the amount of money that is expended.

But certainly financial stability is of key issues. I think we're in full agreement so I just think we need to formulate it in words that help the implementation group within ICANN, the ICANN staff make sure that they clearly understand the division is for the IANA to be independent from ICANN but affiliated to ICANN. Thanks.

Chuck Gomes: Thanks Paul. Chuck again. So let me take a crack at it. And listening to everything that was said my thinking is that if we have the two objectives of financial stability and operational excellence, I think that covers what everybody said because financial stability, and I think financial sustainability, are pretty much the same thing I think. I want you to correct me if you disagree.

And then Alan's point of operational excellence I think that's a good objective from a financial point of view regardless of whether it's technical functions or whatever. But that's how I would break it down into those two objectives, which I think cover everything that has been said but let's talk about that. And Xavier, you had your hand up, you took it down so I don't know if I stole your thunder or what. But go ahead, and Xavier.

Xavier Calvez: Yeah, no a little bit in the sense that I simply wanted to make sure we clarify the notion of financial independence but it seems that we have in the way you just formulated it alludes to that. And I think clarifies independence that it's not independence meaning that there is separate funding but its independence so that the IANA operations budget is insulated from issues that could occur on a ICANN side as opposed to being independent. But I think you've clarified that with Olivier.

And the objective that you spelled out I think actually captures that correctly because to me the independence, as it was formulated in the agenda, could appear to actually be contradictory to stability.

Chuck Gomes: Yeah, this is Chuck again, and I'm saying the same thing that all of that would be part of the stability so the independence that Olivier was talking about is part of that stability. The funding for the IANA services is intact and covered regardless of what happens to ICANN so that we have that, and that would come under financial stability.

So I think under the financial stability objective we probably are going to want to put some clarification notes to make sure everybody – because there are several aspects of the stability that I think all of us understand but the rest of the CWG and the community would need to understand as well.

Is there any disagreement in terms of would those two objectives, assuming especially for financial stability, but maybe also operational excellence that we might have to have some clarifying notes with that, breaking down the objectives for PTI and the IANA services overall, and I don't know if it's our job to define objectives for all of the IANA services because some may or may not be part of PTI directly, but regardless of that issue I think we can work that out. Does that make sense agreeing on the two financial objectives for PTI?

Which is one, financial stability; and two, operational excellence? Thanks (Chloe), I appreciate. Cheryl, it's good to have you on the call. Any disagreement with that?

So our next step then, so that we can move on to the other items would be okay, I think we need to get this written up, and maybe I can impose on staff

to – I don't know if that's Marika or Bernie or both or Grace or whoever wants to do it, maybe all three of you, maybe capture – we've agreed on the two objectives, financial stability and financial independence, we just need to add some clarifying points with each of those so that everyone that's not a part of our discussion will understand what those things really mean. Is that something that staff would be willing to take a crack at and come back to the design team for review and comments?

Yes, Cheryl, we want to add depth and color. Color especially, right. Marika, thank you for that response. I appreciate that. So in our next call , which I think we have for next Wednesday, is it possible to have something by then in terms of the financial objectives for PTI?

Grace Abuhamad: Chuck, this is Grace. I think it's possible that we can do this. We just have to figure out which one of us would be doing it.

Chuck Gomes: Okay.

Grace Abuhamad: So that's probably the delay in your responses there.

Chuck Gomes: I understand. Thanks, Grace.

((Crosstalk))

Chuck Gomes: This is Chuck. That's great. And then if we can have that before next Wednesday. And it can be fairly rough first cut just so that comment and then give the team a chance to find feedback on that, refine it or whatever, so that hopefully after next week's meeting we will have this task done, not that it can't be changed later if we need to but at least done for now.

Yeah, and you're correct, Xavier, it'll be a draft until the CWG itself approved it so we're not trying to take over the work of the CWG as a whole but rather to facilitate their work. So anything else on Agenda Item 1?

Okay, the next two tasks, Agenda Items 2 and 3, are bigger tasks, although I don't necessarily think that they have to be overly complicated, in my mind they don't. But we – what I would at least like us to accomplish in this call today is mapped out a plan to fulfill these in the next few weeks. And number two is develop a recommendation for ensuring multi-year continuity of IANA services funding.

We, as DTO, and all of us can't remember why we dropped this but we talked about this quite a bit a month ago. Quite a few months ago. And, you know, we talked about escrow, we talked about other ways and that escrow may have some problems with that. I think Xavier has brought up the idea of using the reserve fund in some way.

Let me just open it up to a general discussion on this task that we have before us. Alan, your first.

Alan Greenberg: Thank you very much. I guess at some level we have to make sure that the current operational budget for the current year is really in PTI's control, in other words I believe the money has to be transferred to PTI at the beginning of the year so that the money is really available. We have to assume that for a variety of reasons, including potential lawsuits and things like that, ICANN itself could end up in some awkward positions. And we have to isolate PTI from that to the extent possible.

So I think there are two components. Number one, the operational budget has to be really isolated. Now how we handle that given that we're likely to be

subcontracting the financial services to ICANN is perhaps a bit of a challenge. But I really think that we need to make sure that we are not liable to potential problems of ICANN's immediate budget.

And on a similar vein, I think there must be a year's budget that is held in escrow. And that's different than simply saying we have the reserve because again, should ICANN be put into bankruptcy or something like that and out of its control, we need to make sure that that doesn't have immediate effects on IANA.

Now, I mean, we all know that should there be some catastrophe like that there are entities in the world who would likely find some money to help IANA but I don't think we want to rely on that kind of generosity at the time of the crisis. So I really think there needs to be at least, well in my mind, at least eight years budget. I guess it could be less than a year but something held in escrow so that we have an absolute guarantee that no matter what happens in the ICANN world IANA will continue for a reasonable amount of time. Thank you.

Chuck Gomes: Thanks, Alan. Chuck again. And of course that's what this task is all about. We need to come up with fairly specific recommendations to ensure multi-year continuity of funding so that's part of the task. Now before I give it to Xavier, and I suspect he's got a lot of contributions on this that'll be very helpful, obviously there was – there were issues raised in Marrakesh regarding the structure of PTI, how it fits within ICANN as an affiliate.

The one thing I recall, and correct me if I'm wrong on this, but the one thing I recall I believe as input from Sidley was one of the advantages of having a separate corporation or whatever entity, type of entity from a business point of view, was that in the case of bankruptcy that the PTI would not be impacted.

Now I know one idea that was thrown out, and this created some of the controversy in Marrakesh, was that the simpler we can do this, and this occurred in more than one meeting, simpler we can create PTI as a subsidiary that the better it is all the way around, minimizing the complexity.

But one of the – if my memory correct that I think that Sidley did point out that in the case of bankruptcy if you do have a separate PTI entity that it wouldn't – their funding wouldn't be impacted by a bankruptcy. Now I hope I remember that correctly. But we can talk about that further.

Regardless of what structure we end up with, I think that's one issue that we need to keep in our back pocket and make sure that that advantage isn't lost unless we can defend it, cover it other ways. So, Xavier, it's your turn.

Xavier Calvez: Thank you, Chuck. Less substantive then maybe vocabulary I just want to make sure that I offer for the group to think through and continue discussing on this, a clarification on what we mean by budget. I have this conversation often with staff. A budget is not a bucket in which there is money and that we can take money of until there is money in it, and that we can spend money if there is no money in it anymore. This is not a bucket of money.

The budget is the quantification of a perspective action plan in monetary terms, in dollars or euros or whichever currency you use. So you have an action plan and you quantify the resources required to deliver that action plan and that's what a budget is.

So when we say we need to put budget in an escrow account, we are confusing budget and a bank account. This is actually not the same thing. And I'm happy to help further clarifying that concept in the future as needed but

let's be careful that the money that you used to pay for expenses is a different thing than the estimate of costs that you have for a year or 18 months or six months forward when you create an estimate.

So it's really two different things. One is cash, the other one is a piece of paper that says I think I'm going to do this and I think it's going to cost this much. Let me leave it at that and I'll let you continue your discussion on possible options.

Chuck Gomes: Thanks Xavier. Chuck again. And so to put very simply, the fact that you have a budget certainly doesn't create any financial stability and that's well said. Thank you for that. Alan.

Alan Greenberg: Thank you very much. Xavier is quite correct in the sense of a single entity, the budget is simply a plan and it's presumption that you will have the funds available when and if you need them. And if you don't spend them they're available for something else.

But in the sense that we're looking at here, to look – to ensure a certain amount of stability and independence for IANA, I think we have to go the step further and make sure the money really is available and can be spent.

Now there's also two different mechanisms for doing it, and, you know, in the previous discussion when I was saying held in escrow, well it doesn't have to be held in escrow, you could simply give it to PTI, you know, and give them next year's budget ahead of time or whatever, you know, that they have a cushion to work with. So I think because of our desire to have a certain level of financial independence from ICANN when we're talking about budgets in this case, I think we are talking about money that is segregated and, you know, essentially a bank account.

So we are redefining the terms as we go ahead and probably we should not be using the same terms to mean two different things. Thank you.

Chuck Gomes: Thanks, Alan. Chuck again.

((Crosstalk))

Chuck Gomes: Let's go with Paul.

Xavier Calvez: Chuck, this is Xavier.

Chuck Gomes: Oh go ahead.

Xavier Calvez: I'm sorry to jump in front of Paul but I just wanted to react to what Alan was saying. What you just said, Alan, is exactly why I was making the point. I think you used the word of budget earlier to really mean cash on hand made available to IANA. And this is the distinction that I think would be helpful to make sure we make when we have these discussions. So I think you've made it, Alan.

Chuck Gomes: Thanks, Xavier. Chuck again. Paul, your turn. Paul Kane? Are you on mute? Not hearing you, Paul.

Paul Kane: It's technology. How's that? That's a bit better.

Chuck Gomes: There we go, thanks.

Paul Kane: So much better. So first of all I'd like to agree with Xavier and Alan and we are dealing with cash. One of the reasons why I referenced to the caretaker

budget, which is accountability work, it's fantastic and great. It doesn't actually refer to cash. And one of the things the CWG, throughout its deliberations has been focused on, is making sure there is money set aside, cash set aside, to ensure the stable operation of the IANA operator for multiple years.

And we are obviously welcomed as an affiliate. And I think we're in violent agreement. So the idea, as Item 2, is highlighting, is to come up with a recommendation for ensuring multi-year funding of IANA services, cash set aside for IANA. And I think Xavier in his unique position, is well advised to give guidance to this group as how best a proposal could be put forward to ensure that the IANA operator has cash ring-fenced in escrow, whatever you want – however you want to do it to ensure that the IANA can function.

We can come up with our ideas. And I have to say in England we have a certain way of doing it which is best handled in a bylaw through corporate governance structures. I'm not familiar with US or California corporate law. And so I think ICANN, again, would be best advised to give us their guidance as to what they think would work bearing in mind the CWG's goal of ensuring a multiple year cash pot for IANA service. Thank you.

Chuck Gomes: Yeah, thank you, Paul. Chuck again. And before I go to Jonathan, you brought up bylaws and I think we all know that if there's anything needed in the bylaws with regard to this it would have to be identified very quickly because the deadline for putting the bylaws out for public comment, as I understand it, is April 1. So I don't know if we're going to need that but if we do we have to provide details on that in a very short window. So let's just keep that in mind.

So and I quite sure that Xavier has done a lot of thinking about this so I hope that he will be willing to put forth some ideas that we can consider. And the

rest of you can propose ideas too. You can see on the agenda there that one of the things was to brainstorm ideas. I don't know how much time we're going to have for that today. But maybe what we can do is on the list in the next few days if ideas could be put forward on the list so that when we get to our meeting next week we can discuss and explore the ideas that are presented.

So what I'd like to suggest as an action item is that everyone who has ideas as to how we can have multiyear continuity of funding put those on the list, including Xavier, if you're okay with doing that. I think that would be very helpful and facilitate our work next week.

So let me turn it over to Jonathan now.

Jonathan Robinson: I'm mindful of the time. I'll be very brief. I think a couple of things. One, thank you for the timely reminder on bylaws, I think that's very important. And so it's very useful that we know that. Second, and I hope this isn't just stating the obvious but, you know, essentially it seems to me that it partitions into two things.

One is that the former issue we were talking about which is really gaining a process such that we obtain a stable process for timely delivery of the year to year budget. And that's the budget list. And entirely separate is this issue which we're discussing now and that is the security of multiyear funding. My personal opinion would be that that should be three to five years, three years minimum.

But it's essentially some form of set aside or provision such that in the event – and in my opinion this would be evaluated yearly so it would be in effect if, for example, the 2017 budget is X, the overall budget for the IANA function – delivery of IANA functions is X, and the set aside would be 3 to 5 X and that

would be reevaluated year by year and each year topped up or modified to cover that agreed, in effect as I put in the chat, IANA reserve fund.

And I agree, the mechanics of that we can have proposed to us but I think the principle seems to be something that doesn't seem to be attracting a lot of dissent. Thanks.

Chuck Gomes: Thanks, Jonathan. Chuck again. Xavier, go ahead.

Xavier Calvez: Sorry it's an old hand.

Chuck Gomes: Oh okay. Thanks. Alan.

Alan Greenberg: Thank you. Just a further thought on different ways op viewing it. I spent most of my life in a university and when, for instance, if I issue a purchase order the money is encumbered. It's taken out of my account and set aside to pay for the purchase order so I can't spend it twice. So that's an example of a crossover between the way Xavier was using budget and the sense we're looking at, that is we need to segregate the money from what ICANN can spend so that it is truly available for use in PTI.

As several people have said, the exact mechanism we use for doing it can vary. And what period of time, as Jonathan was just saying, we have to do it over we need to decide on. But I think that's one of the, you know, coming up with some mechanism to address these concerns without impacting ICANN greatly by taking, you know, making all of its reserves disappear and being held in a back pocket I think is our challenge right now. Thank you.

Chuck Gomes: Thanks, Alan. Chuck again. Olivier, you're up.

Olivier Crépin-LeBlond: Thanks very much, Chuck. Olivier Crépin-LeBlond speaking. And certainly we're speaking about this whole idea of having some money set aside in some kind of an account or something. And I don't know, I sense some reticence from some about this possibly because it would be money that would be taken out of ICANN's own kitty, as one would call it, at the moment.

I just wondered, and this is just a very wild suggestion, but would we be able to have some kind of an insurance component, basically saying that if there was a failure in the – in ICANN itself the – an outside organization, an insurance company, would be bringing forward some of X that would allow for the IANA functions to be funded for two years, let's say. I have no idea whether this is possible or not, it's just a wild guess. But it might be something to investigate that could be an alternative to putting money aside in a – some kind of an escrow account or something. Thanks.

Chuck Gomes: Thanks, Olivier. This is Chuck. So let's put all these kind of ideas, escrow, insurance, cash bank deposit, all these kind of things in our list discussion between now and our meeting next Wednesday so that we can then come up with a plan to investigate these and some of the things we may be able to – if anybody can get information on any of these thing in the meantime that would expedite our thinking on them as well.

So unless there's anything else on this agenda item, and I want to try to stay within our 90 minutes, I'd like to go to Agenda Item 3. And we're not going to accomplish too much on this but we also have a task to come up with a process for developing the IANA budget each year. And I'm assuming that we will develop that process working very closely with Alissa and her team and Xavier.

So I guess the first thing is that it would be helpful if staff could help us or if you need me to do something I can do it as well, but coordinating with Alissa and see how best we can start working together to develop that process.

Now our – the CWG proposal, you know, clearly – it makes it clear that the IANA services budget, or PTI budget, has to be done much sooner than the ICANN budget and needs approval in advance of the end of the fiscal year unlike the ICANN budget, which is approved sometimes right up to the day before, maybe not quite that bad but before the next fiscal year starts.

So we've already, in the CWG, has already agreed to those sorts of things. But now we need to develop a process. And I don't think this is really hard but I definitely think we need a teamwork effort involving Alissa and her team and Xavier and his team to get that done. And so if we have a few minutes left on the call any ideas on how best to do that. Obviously we need some – we need to talk to Alissa first. We fortunately have Xavier on the call.

And I'm going to turn it over to him right now.

Xavier Calvez: Thank you, Chuck. And I'm going to ask a question for clarification purposes also because I probably simply did not participate to the discussions that occurred and I don't have the background. But the question I have is to understand the rationale for the notion that the budget needs to be approved well in advance so that I can understand how to develop something that achieves the objective.

Again, this is – this is a solution, what I'm trying to understand is what is the objective that this solution is trying to achieve. What is the guarantee or the security or whatever other objective we think the production and approval of a

budget in advance of ICANN's or in advance of the corresponding period that it refers to brings to PTI or IANA. And I'm not yet understanding that.

Chuck Gomes: Sure. Thanks, Xavier. This is Chuck. And I'll start it off but I'd really encourage others that have been on Design Team O for a while, or even new people that are on it now, to speak up on this.

But I think obviously it's a financial stability issue and the – as I recall in our discussions on this, in the CWG as a whole and also in Design Team O, is that there really – we wanted some lead time, we felt like that there needed to be an approved budget, and obviously the funds that go with that, sooner than what usually happens with the ICANN budget.

Because of the criticalness of the IANA functions that are provided obviously in direct support of registries but then all of the registries' customers, which means registrars and registrants, and if there was to be any risk of that not happening, now that could be handled through a caretaker budget if it's not approved in time and we can consider all those sorts of things .

But – and, Jonathan, you can help me on this. But as I recall the CWG proposal actually spells out this kind of detail in terms of it being approved earlier than the regular IANA budget. So – and go ahead, Xavier. And I would appreciate if some of the others would jump in on this as well.

Xavier Calvez: And I apologize if I sound obtuse. But you – Chuck, you explained that its financial stability and that the CWG proposal mentions that requirement and which I agree does. But I'm still not understanding why. So to be very clear, why does approving it nine months in advance or six months in advance or 12 months in advance provide any financial stability? Because to me the financial

stability, as we discussed earlier, is brought by the sustainability of the source of funding not the fact that you have a budget before or after.

Chuck Gomes: Okay. Thanks. And that's what we need to talk about. And the results of our discussion on that will hopefully come to a decision from the group in terms of what we recommend. So I don't think you're obtuse. I think you're answering questions that we need to answer. So thanks for that. Jonathan.

Jonathan Robinson: Thanks, Chuck. And, Xavier, it is a good question. I think you've really got two motivations. So the one for the – let's call it the reserve fund, some kind of – is about longer term financial stability and security. So that's guaranteeing the global Internet community on the IANA Internet functions that this entity has a degree of ongoing longer-term security of operation and secured by its funding.

Separate to that, with all the work – and I think this is the origin of where this other point comes from. With all of the work that was going on with respect to the potential rejection or perceived instability of the ICANN budgeting function, I think there was a desire to cure the agreed funding for the forthcoming financial year of the IANA functions well in advance of any instability that might occur in ICANN's budgeting process.

So that's my understanding. It's really – agreeing and as far in advance as possible the funding required for the forthcoming – or the forthcoming financial year of the IANA services manifest in PTI. So I think that's what it's about. And it may be that nine months is too aggressive. But depends on what timeframe the ICANN budget is being. So I think the principle was agree IANA independently and in advance of ICANN so that was sort of up away and set aside and that that didn't get caught up in then any discussions or

potential disruptions associated with ICANN budgetary process. And to that extent, to have a degree of independence.

Chuck Gomes: Thanks, Jonathan. Chuck again. And, Xavier, as I recall the discussions on this, we were never thinking of even six months earlier but we were thinking of a few months earlier. And then I think at least 30 days before the – all locked up and approved at least 30 days before the start of the next fiscal year.

Now I hope that Paul will respond to this but I want to throw this question out to everybody. Are you okay – assuming there was funding guaranteed, I'll put that qualifier in there as Xavier has pointed out, assuming the funding was guaranteed, are you comfortable with the IANA services budget, the PTI budget, being proved in the same cycle, same timing, and the finance team has done a great job of improving that process, I'm one of the big cheerleaders on that.

But what it means right now is that the IANA services budget, including PTI, could be approved just a few days before the fiscal year starts. Are the people on Design Team O okay with that assuming funding is guaranteed? So I throw that out. And, Paul, you can say what you raised your hand for but if you can respond to that too I would appreciate it.

Paul Kane: So thank you, Chuck. And I'd like to apologize to everyone on the call, I have not been a member of the DTO working group and I don't know what discussions have happened before my joining. I've only – this is my first call on the DTO.

I think the reason why there was a desire for the PTI budget to be finalized well in advance of the ICANN budget, was once again to highlight the independent nature of the affiliate organization in that if – and I agree with

Xavier, if I were viewing the PTI as a mere department within the corporate structure I would want to do all the budgets at the end, get it ratified in one go and keep life simple.

And I think the reason for having the real separation of the budgeting process was to highlight that PTI is an affiliate within the ICANN makeup but it is an independent body. And so there was clear separation of multiple weeks between one budget being finalized and the other. Thank you.

Chuck Gomes: Thanks, Paul. This is Chuck. Xavier, your turn.

Mary Uduma: Hello? This is Mary.

Chuck Gomes: Oh, hi Mary.

((Crosstalk))

Mary Uduma: I had (unintelligible) my connection. And (unintelligible) so I'm only on, I'm very sorry. But I just want to weigh in on what you are actually discussing now. The spirit and the rationale behind the separation IANA function from that of the ICANN was (unintelligible). And if there's anything (unintelligible) the function, the activity of the IANA function or the PTI (unintelligible). So if there is a problem then IANA budget approval.

I mean, ICANN budget approval, we should not offset IANA budget. So we are trying to secure that, (unintelligible) process that we're trying to put in place. I think that was what (unintelligible) recommending that (unintelligible). So just like Chuck said and Paul said, (unintelligible) one of keeping PTI as an affiliate of ICANN and not – and so that if there is anything

that will affect the main budget of ICANN then the PTI budget is (unintelligible) financial stability and security. I hope you heard me well.

Chuck Gomes: Thank you very much, Mary. Appreciate it. I was glad you're on audio. I did see you earlier in Adobe and I'm really glad you spoke up so thank you very much for that. Xavier.

Xavier Calvez: Thank you. I was actually trying to write in the chat to make sure it's captured what I was going to say, which I think I'm hoping I'm not creating a problem that shouldn't – and therefore not wasting people's time. But when I heard Jonathan explaining further in response to my point, why the budget could be useful to be approved before, he captured exactly the point that I thought we were actually trying to address which is it's to have the funding being secured. And I heard Jonathan say that. And that makes a lot of sense obviously that we want the funding to be secured.

And I think that but in relation to the comment that I made earlier of what is the difference between budget and cash, that having the budget approved earlier or late is not a guarantee of funding. So if we want to secure the funding there are other things that may be better and more effective in doing than actually approving the budget early, because again, remember if I keep – if I stick with my idea that the budget is monetary quantification of an action plan, it doesn't do much towards securing funding. And securing funding can be achieved differently.

So I'm not trying to say we shouldn't approve the budget early. I want to make sure I do understand the objective of doing that because I didn't see that being spelled out and I think that there may be two different objectives that suggested approach of approving the budget early was trying to achieve. And another comment, back to Chuck, the CWG proposal does mention that the

budget of IANA should be approved at least nine months in advance. I'm not sure in advance of what but in advance, nine months. And so I may want to clarify that part of the proposal as well.

Chuck Gomes: Thanks, Xavier. The – appreciate it. And I want to be clear to you, Xavier, don't worry about suggesting – disagreeing with us in the working group. That's the only way we will really get down to the bottom of these issues and come up with the best recommendations. So no need to apologize about suggesting alternatives or showing ways that they don't work. I for one as the leader of this group, and I think I can speak for everybody in the group, we want you to be as honest as possible and to disagree where you think we're missing something. So feel comfortable with that please.

Alan, you're up.

Alan Greenberg: Thank you. I'm trying to go back in my memory and understand why those words were there. I have a semi-vague recollection that I didn't agree with it at the time but the rationale was we need to set the IANA budget well in advance so that if someone wants to object to it it could be objected to and we can go through that whole process before we came to the time where we're setting the ICANN budget. So it was felt we need to lock in the – everyone agrees on the IANA budget well before we start the ICANN budgeting process.

And as a result we said things like nine months in advance, which I personally think is a complete pipe dream. I think it's hard enough to set budgets for the coming year a few months before the year to do it a year – almost a year ahead of time, I think is just not understanding that the world is more dynamic than, you know, well is rather dynamic and we have things we can't always predict.

But I think it was so that we could serialize the process and lock in the IANA budget with everyone all complaints having been addressed before we came to the ICANN budgeting time. At least that's how I remember it now. Thank you.

Chuck Gomes: Thank you, Alan. This is Chuck. Yeah, I don't remember the nine months – having it approved in nine months. I thought we were starting the process…

((Crosstalk))

Alan Greenberg: Yeah, no well but setting at nine months so we can go through an approval process at that point.

Chuck Gomes: Yeah, that's kind of what I remember too so I'm – I have forgotten that too so not sure how we got there. So, Cheryl. Cheryl, we're not hearing you if you're talking.

Coordinator: One moment please.

Chuck Gomes: Okay. Okay I don't see Cheryl's hand up anymore. Apparently Cheryl is coming through very faintly. I didn't even hear that so she's going to type, that's good. One thing I'd like staff's assistance on is if we can – and I don't know how the best way to do this, again if you need a message from me I'll be glad to cooperate, but if we could find out from Alissa how she – we do have this task of developing the process for approval of the IANA budget, the development of it and the approval of it.

My own assumption is is that that would come from PTI first or, you know, and then there would be a process of community review and so forth. But if

staff could connect Alissa and see how she would like to see if she's the one that she wants us to work with, if it's somebody else, if it's one of you on the staff team so that in the next few days, certainly before our next meeting, we know who we're working with on Alissa's team and of course it'll involve Xavier's team as well, that would be very much appreciated.

So let's see, oh Cheryl's in a car, it's hard to type in a car. Did I hear somebody speaking?

Mary Uduma: Yeah, this is Mary again.

Chuck Gomes: Go ahead, Mary.

Mary Uduma: Yeah, I wanted to (unintelligible) in implementing this recommendation (unintelligible) of the process (unintelligible) the process of preparing (unintelligible) the PTI budget. So if there are difficulties then (unintelligible) it would be difficult for (unintelligible) to do that and (unintelligible) during implementation. Thank you.

Chuck Gomes: Thanks, Mary. Now I didn't get all of that so if you could put it in writing…

Mary Uduma: Okay.

Chuck Gomes: …in an email to make sure I didn't miss anything I would appreciate that.

Mary Uduma: All right, this is what I'm saying. That if (unintelligible) whether we have difficulties in implementing the nine months approval of PTI budget in advance of IANA – I mean, ICANN budget. So I don't know (unintelligible).

Chuck Gomes: Okay so, yeah, okay.

((Crosstalk))

Chuck Gomes: Okay. Thank you. Okay and, Xavier, another thought that came – this is Chuck again – another thought, with regard to if – it's hard to guarantee the funding without knowing the budget especially in cases where there may be a new project that the community supports or that the direct customers, the registries and the ccTLD side and the gTLD side support especially if it was a significant change in the budget. So that's an example of where having it more in advance would be helpful with the IANA.

                  But, Xavier, it's your turn.

Xavier Calvez: Thank you, Chuck. I'm actually suggesting to talk a bit about logistics because we're past the end of this meeting and I need to go another meeting. And I'm slightly concerned that before starting this call I already had more than full agenda until next Wednesday but now I have full agendas until next Wednesday.

                  So I think that it would be helpful that we can lay out the actions that have been suggested to carry out on these agenda items in that if you may you can give us a bit of time to think through how we can deliver on providing information back to the group. Because I'm afraid to say that it's going to be extremely challenging to do by next Wednesday.

Chuck Gomes: Okay.

Xavier Calvez: And just to – as an additional comment, the development of the budget process for IANA is going to be probably primarily a Xavier topic rather than an Alissa topic even though of course I would want to circle back with Alissa.

But the process part is going to be something that I would draft or my team would help me drafting.

Chuck Gomes: Understand. Thanks. Olivier, it's your turn.

Olivier Crépin-LeBlond: Thanks, Chuck. Olivier Crépin-LeBlond speaking. I was just going to add one thing. Certainly we'd probably be wasting our time continuing the discussion now not knowing exactly what process is going to be used to draft the IANA budget. But I did hear also Alan mention earlier that one idea was to have it nine month in advance so as for the community to be able to object to it. And I got rather concerned about it because I recall vaguely a discussion in the past as to what right does the ICANN community have to reject a budget that would affect the other two operational communities.

I don't think we will want to go in that direction. And we're going to have to design this quite carefully in order to steer away from having this whole thing of vetoing of the ICANN community, vetoing an IANA budget. I don't know, we're now in the implementation phase and I think we need to really be very careful with our Is and our Ts and cross them and dot them correctly. That's all. Thanks.

Chuck Gomes: Thanks, Olivier. This is Chuck. And, Grace, if I could ask you if it's possible between now and our meeting next week, could you pull out the elements of the CWG proposal and the CCWG proposal that relate to IANA services funding? I don't think there's a lot of them but I suspect if I ask everybody to go back and look all those up it's going to be hard for people to get it done.

And so if we could have those pieces pulled out in a little document so that it'd make it – facilitate everybody coming up to speed with those I would sure appreciate that. Alan.

Alan Greenberg: Yeah, thank you. What Olivier just mentioned the concept of the ICANN community vetoing parts of the budget which will affect the other communities, along with the separation issue of exactly what are we separating I think is the reason that ICANN and IANA are looking now at segregating the names IANA function from the other parts of the IANA function.

Unfortunately, in the CWG we were not particularly precise in making sure that we were separating the concept and we were using the term PTI to refer to both one part – 1/3 of IANA and the whole IANA. And I think now we're perhaps suffering the consequences of that lack of precision at that point. Thank you.

Chuck Gomes: Thanks, Alan. And thanks, Cheryl, for putting in the chat your comments. Appreciate that. I certainly don't have any argument with what you're saying there. Well we're way over time I think and I apologize for that. We've got some action items and we're going to have to of course hit all three of these agenda items again next week.

I think that we can – we – a future action item of course is going to be able to work on the caretaker budget as it applies to the IANA services. We'll do that together with the CCWG subteam that's working on their budget issues. And Xavier has said that he would prepare some of – share some of his thoughts with regard to that in the near future as well. So sorry to put so much on your plate, Xavier. To a certain extent I guess we're all in the same vote right now.

But we have got a timeline that we're trying to work towards and it's relatively short so we'll keep plugging away. And thanks for everybody's

cooperation. Is there anything else that we need to cover before I adjourn the meeting?

And, Marika, I'm looking at Action Item 3 right now so while people are thinking there. Yeah, you – Action Item Number 3 looks okay to me, Marika. Thanks for that, I appreciate it. Anything else? Okay, apologies for going long. We have got our work cut out for us in the next few weeks. So appreciate everybody being as diligent as possible and staying up.

And remember that Action Item 2 is for everyone to share ideas on how to deal with multiyear guarantee of funding so that we can discuss those next week and also then begin to do some research and see which ones makes sense – makes the most sense. That said, I am going to adjourn the call. And look forward to talking to you next week and seeing your input on the list between now and then. Have a good rest of the day and a good rest of the week. Bye.

((Crosstalk))

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