

ICANN

**Moderator: Nathalie Peregrine
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11:00 am CT**

Rob Hoggarth: Good morning everyone. We're going to get started. My name is Rob Hoggarth. Welcome to Los Angeles and to the Third Annual Non-contracted Parties House Intercessional Meeting.

I know many of you took some long travels to get here and very much appreciate you being able to join a number of us visitors here in Los Angeles very close to if not in the ICANN offices.

The purpose of just me doing some opening remarks for you is to set the stage, give you a sense of the agenda that's going to be played out over the course of the next couple of days and go through some logistics with you.

I chose and learned at the Washington DC meeting that we had last year that they emphasize the fact that this is a meeting of equals with no real head table that I just walk around a little bit to emphasize the fact that no one's sitting at the front or at the back but this is intended to be a collaborative effort.

As a number of you know this meeting came about because a number of your communities believed it was important from an organizational standpoint to

try to get together on an intercessional basis in-between ICANN public meetings recognizing that the public meetings are extremely stressful, tightly scheduled with very little opportunities for real interaction or strategizing or thinking about broader issues.

It's more opportunity at those meeting to actually do your advocacy and not really be thinking about the planning for it. And so the purpose of this meeting was to bring you all together.

We did the first meeting in 2013 here in Los Angeles back at the ICANN offices. And this is a slightly larger room and a configuration that we adopted at the second meeting last year in Washington DC.

The plan for this meeting is similar to the other ones although you're noting some evolutions as we go through things. And that is from a meeting perspective this is your meeting.

I'm standing up here is Rob Hoggarth of the Policy Support Team to facilitate. And the number of staff we have both here in person and remotely are here to support your efforts.

But it was your leaders and fellow planners who helped set this agenda. We've got an agenda that's set up so where you have individual co-chairs from each of your stakeholder groups to talk about what you're trying to accomplish, how you want to address certain issues in the agenda.

And so again the real emphasis here is what you put into this meeting is what you get out of it.

And we, as staff, will do our very best logistically, facilitation-wise or anything else to help you do that.

And my role of the meeting is just going to be to reach out to various co-chairs during the sessions, make sure we're on time and how we play through things.

But generally that's going to be the approach that we'll take. And we'll really look to the individual co-chairs as the leader of each session.

Now for today in terms of agenda this morning you've got two sessions and then we'll have lunch.

The first two sessions start focusing on general issues where you can find commonality.

Consistent with the theme of you coming together and collaborating and learning more about each other we thought that - the planners thought that the best approach would be to identify a session where you can find common ground.

You'll see by the end of the agenda we're looking to talk about third rail issues and have you really talk about some of the tougher issues. And we hope the spirit of collaboration and goodwill will help make that go much more smoothly.

We shift a little bit during the middle of the day and talk about some basic operational issues that you all have to work on.

From a decision-making process there's issues about selecting the board representatives from your house on the GNSO. And there's also a discussion about selecting the vice chairs and what the process for that might be for the GNSO Council.

At lunch time we're going to kick off some conversations related to the GNSO review. We've got a session in the afternoon that talks about the future of the GNSO. And the purpose of lunch an informal lunch, you know, sitting around the table is to hear a great presentation about the status of the GNSO review and essentially set the stage so that you understand what's happening in the short term so you can be thinking a little bit more about the long term later on in the afternoon.

While most of the sessions for these two days for the next 40 something hours are intended to be mainly in plenary session so you can all be talking together there are a number of slots in the schedule where you do have an opportunity for a breakout session. And that takes place at 4 o'clock this afternoon.

And so individually within your groups you'll have an opportunity to have conversations maybe to go over what you talked about this morning or to plan for tomorrow.

Tomorrow morning there's also opportunities for breakouts. And this is the one area of the agenda where we've got a little bit of uncertainty.

One of the features of this meeting that the planners saw as valuable from the past meetings was to really have an opportunity to interact with senior staff at ICANN.

And again we've invited Fadi Chehade in his CEO role to participate in the meeting. And what has worked in the past sessions is to essentially have an individual SG session with Fadi. David Olive will also be here and there'll be a tag team for you for that morning session.

The one uncertainty in the agenda is Fadi's travel schedule coming back from Singapore and the board workshop.

And so we've slated him and I've gotten confirmation from the morning. But it's like a 90% confirmation. So we may have to slide that to the afternoon. We'll have a better idea this evening.

But getting back to my point about breakouts while one of your groups, the stakeholder groups -- and we drew straws and CSG goes first in the morning - - the other stakeholder group again has the opportunity for breakout session either to plan for the Fadi session or to have other discussion.

And so factor that into your conversations and your thoughts as you prepare for later today.

And then additional issues, additional plenary sessions throughout the day tomorrow leading us to a final sort of any other business session that I think Tapani and (Tony) are going to be - oh no, Ed Morris and (Tony) are going to be sharing at the end of the entire session where, you know, you'll have an opportunity either to revisit an issue that you didn't have closure on, identify what some of your next steps and to dos are.

So that's the agenda - essentially the agenda for the next couple of days.

In terms of logistics I know a number of you sort of arrived at the last minute. So two - most important things, coffee is right outside the room.

And when the planners put together the agenda we didn't plan any breaks. So there are no official breaks where, you know, everybody leaves for ten or 15 minutes.

Generally I think and you all can modify this through your own discussions is that, you know, if you have a call to take care of if you need a quick shot of caffeine please, you know, please take a step out of the room. The co-chairs will decide based upon the meeting whether it's time in their session to end early or, you know, maybe try to extend the session a little bit.

We do want to be conscious of the fact that we have remote participants. And it's really based on the planning process remote observers.

And number of you who are probably hearing my voice right now are in the Adobe Connect Room and are not here in person.

One of the values of identifying this meeting was to have leaders from each group together in person for face to face conversations. So we really haven't set it up as staff for folks to participate in real-time verbally or via audio over the Adobe Connect. We will have one or two speakers who do that for us.

But if you're not in the room and have a point that you'd like to make or share please make use of the Chat in the Adobe Connect Room or otherwise instant message one of your delegates who are in the room and there will be an opportunity to share your point of view.

We are recording every one of the sessions. As we have in the past we're getting them transcribed. They'll be published on the community wiki for this meeting and preserved in perpetuity.

If any of you even want to look at what we did in 2013 or 2015 that's on the community wiki right now.

In terms of other just ministerial things, the rest rooms are right out the door to the right, the coffee's to the left.

In terms of other quick scheduling items I think it's important that you all use the opportunities of the meeting to express your points of view, share your views. Please participate as actively as you're comfortable.

I don't know within each session how each co-chair wants to run it. They'll do an introduction and then share with you the format and the approach that take to the meeting.

I'm going to pause the monologue known give you all an opportunity to speak a bit.

Something that worked out very nicely in the past two meetings was to have each of you introduce yourselves, share a little bit about where you're from, what your day business is and, you know, maybe while you're here what some of your expectations are for the meeting.

I think what we can do is look down - I'll look down to the far end of the room. I don't know Olivier if you're even next to Marilyn there at the end but that might be the best place to start.

And what we'll do is we'll just go around the room. Please introduce yourself, your affiliation and share any other thoughts that you'd like to share with the group. And we'll go around the table and get started on the first session.

Olivier Muron: I'm Olivier Muron. I work for Orange in France. And I'm a member of IPCP and it's my first intercessional meeting. I have great expectations.

Marilyn Cade: My name is Marilyn Cade. I'm a member of the Business Constituency. And I'm fortunate that this is my third intercessional so I'm looking forward to having it be the best ever.

Farzaneh Badii: Hi. I'm Farzaneh Badii. I'm an NCUC member and this is my first intercessional.

Marilia Maciel: Hello. My name is Marilia Maciel from CSG. This is my second intercessional.

Matthew Shears: Hello. My name is Matthew Shears with the Center for Democracy and Technology NCUC, NCSG member, second intercessional. Thanks.

Avri Doria: Hi. Avri Doria working for APC in this context in the NCUC in the NCSG and I have absolutely no thoughts.

Alex Deacon: Hi. My name is Alex Deacon from the Motion Picture Association of America. And I'm a member of the CSG and IPC.

Zuan Zhang: Hello everyone. My name is Zuan Zhang, (Alka Peter Green) from China Beijing, China. I'm a member of the Executive Committee of the NCC. And this is my second (NCPH) meeting. Thank you.

Arun Sukumar: Hi. My name is Arun Sukumar. I'm with the Think Tank in India this New Delhi called the Observer Research Foundation. I'm with NCUC NCSG.

Grace Githiaga: Hi everyone. My name is Grace Githiaga from the Kenya Action Nairobi. I'm a member of NCUC and this is my second intercessional meeting.

Joao Carlos: Hello. My name is Joao Carlos. I'm from Brazil from (Monte Mega) and out of our (NC CAC). This is my second intercessional. I hope to hear if you - all of you.

Stephanie Milan: Hello, good morning. My name is Stephanie Milan, University of Amsterdam here with NCUC and CSG and my second intercessional.

Lori Schulman: My name - oh, my name is Lori Schulman. I am with the CSG and the IPC. And I'm also a representative for the International Trademark Association.

Cheryl Miller: Good morning. My name is Cheryl Merrill and I'm with Verizon. I am also within the BC and happy to be here. This is my second intercessional.

Susan Payne: Hi. My name is Susan Payne. I'm with Valideus which is a consultancy working with brand owner TLD applicants. I'm with the IPC and this is also my second intercessional.

Julf Helsingus: Hello. I'm Julf Helsingus. I am a Noncom appointee to the GNSO Council. So I'm a bit of a strange animal here with actually fits very well because I'm a strange animal in that my background is half commercial, half non-commercial.

Tapani Tarvainen: Hello. I'm Tapani Tarvainen from Electronic Frontier Finland, not to be confused Electronic Frontier Foundation also (Uvascular) University in Finland and currently the chair of a non-commercial stakeholder group.

Heather Forrest: Good morning everyone. I'm Heather Forrest. I am an Academic at the University of Tasmania in Australia. I often win the jetlag award for these meetings.

I'm a member of the IPC. I'm a member of the Council, GNSO Council representing the IPC and I represent all of us as our vice chair on the GNSO Council and this is my third intercessional. Thanks.

Stephanie Perrin: Hi. My name is Stephanie Perrin. I'm a member of the NCUC I'm a GNSO counselor. I'm a PhD candidate at the University of Toronto and I don't really represent anyone in terms of my views expressed here.

Brian Winterfeldt: Hi. Brian Winterfeldt, CSG IPC former councilor. I just rolled off the council after a four-year term.

And I'm really happy to be here. This is my second intercessional.

Kiran Milancharuvil: Kiran Milancharuvil. I'm CSG IPC with MarkMonitor. I am - this is my second intercessional.

Denise Michele: Denise Michele with Facebook and Business Constituency. This is my first intercessional.

Chris Wilson And my name is Chris Wilson. I work for 21st Century Fox. I'm based in Washington DC. I'm Chair of the BC and this too is my first intercessional. So I look forward to learning even more than I have learned about ICANN

and the non-contracting party house and look forward to meeting many of you who I've not met.

Greg Shatan: Good morning everyone. Greg Shatan. I'm the President of the Intellectual Property Constituency.

This is my second intercessional and I'm looking forward to productive and hopefully even entertaining session. Thanks.

Jimson Olufuye: Good morning all. My name is Jimson Olufuye. I'm the chair of the Africa City Alliance made up of twenty three African countries.

And my day job is running an IT firm - Kontemporary. We're a member of the Business Constituency. And in the Business Constituency I have the privilege of being the Vice Chair of (Final) Celebrations. You're welcome. This is my third intercessional. Thank you.

Rudi Vasnick: My name is Rudi Vasnick. I'm the chair of NPOC part of the NCSG. It's my second intercessional and I'm really looking forward to see how we are going to get the future of our organizations in the final discussions we will have on Friday.

Klaus Stoll: Okay this - my name is Klaus Stoll NPOC and NCSG. My expectation of the session is quite simply to get things done. Thank you.

Sam Lanfranco: My name is Sam Lanfranco. This is my second intercessional. I'm in NPOC and in CSG. I represent a not-for-profit organization in global health and I'm also an emeritus academic.

Joan Kerr: Good morning.

((Foreign Language Spoken 0:17:45))

Joan Kerr: Geez I did it. My name is Joan Kerr and I'm NPOC and NCSG and this is my second intercessional.

And I want to say that I traveled yesterday and had a really good sleep so I'm really raring to go.

Martin Silva: Hello. My name is Martin Silva. I'm from Argentina and this is my second intercessional meeting. I'm from NPOC. I represent an ad agency, an NGO that does research and capital city building on IT issues and Internet governance. Thanks.

Brett Shaefer: Thank you. I'm Brett Shaefer. I work with the Heritage - sorry. I'm Brett Shaefer. I work with the Heritage Foundation. I'm a member of the NCUC NCSG. Thanks.

Steve DelBianco: Morning, Steve DelBianco. I run an organization called Net Choice based in Washington DC. And I'm the Policy Coordination Officer in the Business Constituency. And this is my third intercessional, looking forward to it.

Philip Corwin: Good morning, Philip Corwin. I operate Virtual Law which is a policy consultancy. I represent the Internet Commerce Association on the Business Constituency and serve as one of their GNSO councilors. This is my first intercessional. And I hope that we come out of here with better understanding about how to proceed with one - each other and communicate that facilitates better relationships within the side of the GNSO.

Thank you.

Carlos Raúl Gutierrez: Good morning. I'm Carlos Gutierrez of the ISO Costa Rica Chapter. The ISO Costa Rica Chapter is an organizational member both of ALAC (Lecralo) and of NPOC.

I've been a member of the GNSO council for a little bit longer than a year through the NonCom and the so-called house-less - homeless thank you, homeless member of the council.

And last year I was very surprised that there was an intercessional meeting. I found out about it like three days before it happened. It was too late. So I'm very happy that this year two of the NonCom members of the GNSO council have been invited to this meeting. And I look forward to a very good meeting. Thank you very much.

Osvaldo Novoa: Good morning. My name is Osvaldo Novoa. I'm from the ISPCP and I work in (intel) from Uruguay.

Christian Dawson: Good morning. My name is Christian Dawson. I am also a representative of the ISPCP. I'm also Executive Director of the Internet Infrastructure Coalition which is the trade association for the people that build the infrastructure of the Internet, the people that rack and stack servers and data centers.

So I represent the geeks. I have been around ICANN for about three years. I've got ten meetings under my belt but and have jumped into a whole bunch of various different working groups and initiatives, vice chair of the Universal Acceptance Steering Group. But I still sort of feel like a new guy in some ways.

This is my first intercessional. And if you told me when I started that I would need to go to meetings in-between the meetings on top of all the phone calls and everything else I think you were crazy.

And I think maybe we all are a little crazy. But I'm going to look forward to seeing what this is all about.

Alain Bidron: Good morning. My name is Alain Bidron. I work for (unintelligible) also representing (Etno) which is a Europe and Communication Network Operators Association.

I'm with ISPCP and this is my third intercessional meeting.

Tony Holmes: Tony Holmes. I'm Chair of the ISPCP. And have attended the other intercessional meetings before.

I do feel that all of those have real benefits and I'm hopeful that this one will continue the same way.

Mark McFadden: Hi. My name's Mark McFadden. I'm Chief Technology of Officer of Interconnect Communications in Wales in the United Kingdom. I'm an intercessional virgin and I have precisely the same thoughts that Avri did.

Jen Taylor Hodges: Good morning. I am Jen Taylor Hodges. I'm with BT, British Telecom and part of the ISPCP.

Chantelle Doerksen: Hi. Good morning, Chantelle Doerksen. I'm with the Commercial Stakeholder Group Secretariat support.

Rob Hoggarth: Thank you everybody. It was great to that we were able to go around the room.

One of the things that I observed and a number of you may have a few get up and take a personal break during the meeting, with the way the speakers are set up I hope you can hear very well through the speaker on your microphone.

But once you get up and start walking around the audio is just because of the size of the room very difficult to hear.

So I don't mean that you should stay nailed to your chairs but definitely stay close by because that's the best way to hear.

There's one person who didn't get an opportunity to introduce themselves. And that's because he's not here yet. Markus Kumar is also a guest that the planners wanted to make sure we invited to the meeting.

Having the board member that represents your house has been a feature since the first meeting.

Now Markus is also on his way back from the board workshop in Singapore and I think his itinerary actually had him showing up here by lunch time. So he's not going to miss too much but he is on his way.

The other thing I wanted to emphasize is we've reached the end and Chantelle introduced herself.

We have a number of staff here in the room to support you. We already had a small issue with the Internet that I think has been quickly resolved.

But so that you all appreciate it in the back of the - well again, I said it was a circle so it's not really a back of the room.

But that part of the room over on the far corner from me is Lars Hoffman and Steve Chan. So they're available in any way shape or form to help you out.

Of course Chantelle is helping us in the room with the Adobe Connect. In the far corner we have our technical team (Mike) and (Moises). They're helping us with all the technical issues and may share a story or two about them so you'll appreciate really the amount of work that goes into setting up one of these meetings.

And remotely we have a number of team members as well helping us out, Maryam Bakoshi, Benedetta Rossi, Nathalie Peregrine, Terri Agnew are helping us at various times throughout the course of the next couple of days to make sure that our remote participants are having a good experience and make sure that we're connected at the appropriate times so that we're getting the recordings that we have the transcripts available.

But while this is an exclusive meeting for all of you in terms of the issues and the scope so a typical ICANN meeting in that those who are not in attendance can look at back at the archive, can see what was discussed, can get a sense of the room and what was gone over. So please keep that in mind as you have your conversations and conduct your deliberations.

So I will stop there, hide now on the side of the room and turn over the microphone to Marilia and Phil up to get us started on the first session of the day.

And I believe this will be to talk about common issues where there could be some really good discussion about some cooperative areas that you all can work together.

So Marilia I'll turn over the mic to you and Phil and let you proceed from there. Thank you all and welcome again.

Marilia Maciel: Good morning everyone. I hope that you feel excited to start the discussions of the day. Actually this session will be a little bit of jazz play.

I am here substituting Ed Morris who unfortunately got stranded in Heathrow. He's on his way. He'll be here with us later today.

Yes we're going to shift over there so I can be close to my co-chair.

Phil Corwin: Okay. Good morning, Philip Corwin again. And the fact that we're sitting up here does not mean we're - think we're better than anyone in the room. We're just kind of coordinate leading this discussion but the discussion is yours.

This is about common issues and we've got 90 minutes. And we've got a list of ten potential issues. And we thought we'd just throw them out there and let you folks pick three that you want to get into for about 30 minutes each to have a good discussion. And we can't really address nine, ten issues in 90 minutes so we won't get very deep into them.

So let's these and then have a couple of minutes where people can express their preference and then get into discussion.

And the issues we have that are common issues for everyone in this side - this house of the GNSO are the election process for council, number one.

GNSO board seats and whether we like the way board members are selected now whether we'd prefer that more members were picked by the community and fewer by the NonCom which would result in more board members who feel that they have some while they're bound to serve the corporation they know who put them in there.

The new meeting format particularly how we're going to deal with Panama and especially now that it looks like accountability WorkStream 1 will still be a subject of discussion in Marrakesh based on the latest email from the co-chairs which was a little bit perturbing.

The auction proceeds with the .shop sale that pot of money is no up over 100 million. And with .web and a few others still possibly going to the last resort auction it could be perhaps even double that are more by the time we're finished.

So what's the process for determining how those funds are going to be distributed?

The GNSO review structure although I do know we have an in-depth discussion of that this afternoon so we might want to skip over that one for this session.

Stronger focus on security and stability review, the actual technical heart of what ICANN does and other topics, how's the GAC going to operate in a post-transition ICANN and interface with the policymaking process that's led by the GNSO.

Also it's a WorkStream 2 issue but not too early to start discussing transparency and inspection rights and improvements in the accountability mechanisms including request for reconsideration which generally result in a reply that nothing wrong happened.

The country code operators and two character names and DNS and IGOs is one brought up by the non-contracted side.

Apparently all lot of nongovernment organizations believe that it's efficient to have a page on social media. But of course on social media you're always subject to terms of service being changed at any time.

So is there a way to get them more cognizant of the fact that there's greater independence with running a Web site?

So those are the ten we came up with. There may be others you have in mind but if you were going to pick the top three out of that list let's start taking comments.

Why don't for the next 90 minutes what should we focus on? Lori?

Lori Schulman: Hi. I would definitely put GAC post ICANN at the top of the list.

I would also suggest too that the first two you mentioned maybe we defer to the session that Tapani and I are leading since those are the topics of discussion, how we choose our vice chair and how we choose our board member.

Phil Corwin: Okay. So that's one suggestion for getting into the GAC role. Marilyn?

Marilyn Cade: I'm I just like to add - Marilyn Cade speaking. I'd just like to make a clarification. I think that - and then I have a comment. Lori you did not mean post ICANN? You mean post IANA is that?

Lori Schulman: Right.

Marilyn Cade: As someone who killed myself to get the governments to come to ICANN, I would be very concerned about the GAC post ICANN.

I would like to have a discussion about the issues related to the use of the auction funds related to the integrity of the process.

Klaus Stoll: Okay. This is Klaus, Klaus Stoll for the record.

Phil Corwin: Can't hear you.

Klaus Stoll: Klaus, okay louder. That's rare that somebody asks me to speak louder because normally I'm the one who's other way around.

Phil Corwin: Yes.

Klaus Stoll: I just wanted to talk about a little bit about the clarification of Topic Number 10. We discussed that...

Phil Corwin: Excuse me, can you speak louder? We're just not hearing you down at this end?

Klaus Stoll: Okay. Is that loud enough?

Phil Corwin: Yes.

Klaus Stoll: Okay. I just wanted to make a clarification about Point Number 10. We talked about it yesterday in the NCSG meeting and it was the topic was actually the meat of awareness and capacity building in the DNS sector.

Because what we were talking about and the point we were trying to make is that we are so busy in doing our policymaking things in discussion groups in intersessionals and calls and everything that we are forgetting a little bit the foundation from which we do all this. That means the knowledge and the - of the people who actually use the DNS and are dependent on the DNS.

So the idea of this topic was quite simply to bring that a little bit more to the surface to think about actually how we can do a little bit more awareness and capacity building. Thank you.

Phil Corwin: Okay. Thank you and that's three. Jimson?

Jimson Olufuye: Yes this is Jimson. Interested of discussing how the auction process can be used. At least for some time now I've been engaged in outreaches and I've seen a huge gap, you know, in outreaches ICANN objectives, reaching out the world through the constituency activities.

So we need to focus on the objective. I think we need to discuss that so that we can engage more the word out there about ICANN. Thank you.

Phil Corwin: Okay think you Jimson. So that's another voice in favor of discussing use of the auction proceeds. Right now we've got role of the GAC post transition, auction funds and capacity building. That's three. But is there anyone who wants a different topic? And let's give this another minute or two and then we'll get into it.

Sure.

Marilia Maciel: Thank you. Marilia speaking. Well actually it's not another topic but I think that when we talk about the topics that we are discussing one thing that we could drop in the conversation how we can streamline the process in order for us to have a better conversation?

We had some experiences of working together that had - have worked well in the past and the noncommercial and the commercial side for instance presented a formal complaint with regards to the use of URS for legacy TLDs. This was something that worked well.

What did this work well? What are the lessons that we can take and how we can proceed better in terms of communication and process to develop the conditions for us to work together better in these topics that we are identifying here?

Phil Corwin: Thank you. Do we have other any other hands up here for suggestions for what we should get into or should we just are getting into it?

Is there another hands somewhere? Cheryl?

Cheryl Miller: Hi. I just wanted to say I definitely think auction proceeds, GAC post IANA. One other bucket that might be interesting also to pick up would be security issues. Thank you.

Phil Corwin: Okay. Anybody else want to raise your hand now? If not let's get into the first topic. And before we get into discussing the role of the GAC post transition which will depend to some extent of the final accountability proposal in

particular Recommendation 11 and how it interacts with one and ten Steve DelBianco I know others can chime in but I know you're on that call at 4:00 AM to discuss Recommendation 11.

Can you give us a quick report on where things stand as of today and is there an acceptable compromise insight or are parties still polarized on that?

Steve DelBianco: Thanks Phil. I can give you a brief report. Recommendation 11 was supposed to be the way we solved for Stress Test 18.

Stress Test 18 identify a situation in the bylaws today that don't require GAC advice to be any kind of consensus.

It simply says that the board is obliged to try and find a mutually acceptable solution should it reject GAC advice. But it doesn't suggest that the GAC has any threshold to reach coming up with that advice.

It turns out that today the GAC uses operating Principle 47 which matches the United Nations decision-making rule. And that is that the GAC makes decisions through general broad agreement in the absence of any formal objection.

And while that language is being used today it isn't in the bylaws at all. And CCWG over a year ago identified that the answer to Stress Test 18 was to find a way to avoid forcing our board to negotiate with the GAC on a mutually acceptable solution in an area where the GAC itself was divided so that if the GAC moved to majority, super majority voting we would have advice coming over where not all the government supported it.

It places ICANN in the un-tenable position of having our board negotiate with sovereign governments where some of them agreed with the advice and a significant minority did not. It's not the way we designed this.

So we are not telling the GAC what to do at all. We simply told our board that only GAC advice was approved to broad agreement in the absence of a formal objection would trigger the board's obligation that if it rejected it would have to work out a mutually acceptable solution.

So there was an awful lot of confusion to where the GAC didn't agree with Stress Test 18. And that's sort of neither here nor there Stress Test 18 identified a risk.

What we can agree to disagree about is what is the solution to that risk? And there can be no question that we have to address Stress Test 18.

Nine months ago and on three separate occasions NTIA at the Commerce Department said that an answer to Stress Test 18 is a requirement for the transition because that needed to be solved.

It's probably something that should have been fixed in the bylaws a long time ago.

So we have gone back and forth on the ways to address that. And it roughly November, late November of this year a compromise was reached that appeared in the third draft from CCWG.

And that was a suggestion that we put very strong consensus language in the bylaws but that the board itself to reject GAC advice would raise its threshold.

Today it's under as you probably know a majority. A majority of the 16 board members is nine votes. So in our third draft we said it should be 2/3 which takes you to 11 votes so it would require two extra board votes to reject GAC advice.

Some of the GNSO noncontract party house felt like that was an appropriate trade. It's two extra votes but it cements in the strong consensus requirement.

Other members of the noncontract party house felt it was inappropriate to give the 2/3.

So, on this morning's call instead of trying to jam the 2/3 down and unwilling GNSO we explored a new solution, sort of a package solution.

And what it would do is reduce the 2/3 requirement to just 60%. So instead of nine votes of the board it would be ten votes of the board.

But at the same time we addressed Recommendation 1 and 2 which described the way the empowered community would progress towards the exercise of community powers. And as you know the GAC and governments are an AC and SO just like the rest of us. So they are a member of the empowered community.

But there was a general belief that if GAC advice was given to our board and our board rejected GAC advice or accepted GAC advice and implemented it the community might well want to challenge ICANN's board saying look that advice that you're implementing violates the bylaws.

And here is the community marching towards that IRP challenge to the board which is brand-new capability we have is part of our proposal.

And then suddenly could the GAC step in and act to block that IRP challenge? Well that was a significant concern to many in CCWG particularly in GNSO.

So to address that we are changing the Recommendation 1 and 2 saying that when the community is considering an IRP to challenge the board's acceptance of GAC advice that the GAC itself couldn't block that with an objection so they would not have a voice.

I'm seeing some heads nodding which is amazing to me because it's so complex, so complex. And so it's a package right? It's a package that says that it's ten votes instead of nine instead of 11. It's ten votes to block GAC advice to reject it.

The GAC may not participate. It can only advise the community if the community is considering challenging a board acceptance GAC advice.

And was one other mention in there. We are going to require that any advisory committee that gives advice to the board has to include a rationale for that advice as well.

Phil Corwin: Thank you Steve. Let me step in here and just kind of set this up because I'm hoping that the discussion we have now is not going to be a debate on where Recommendation 11 the final text should read.

But my perspective on this is governments have always had a role in ICANN that there's always been a GAC. They've got more active in recent years particularly when a new TLD program was proposed they weighed in a lot more heavily.

However this accountability proposal, the final details the GNSO has already been undertaking attempts to better integrate the GAC into the policymaking process with a liaison with a quick look process that we've been experimenting with because we want the GAC to feel like to participate as we develop a policy not come in when we have a pretty much final product and then saying no we don't like this, don't like that. We want them there from early on, not at the very end.

And that what however this comes out at the and the GAC is going to be more integrated. They're going to have apparently an elective ability to participate in the accountability escalation process.

There's going to be a rather than just trying to find consensus some board vote whether it is nine, ten or 11 votes to formally reject although not a requirement on the board to ever take that vote.

So they're going to have a somewhat expanded role. And from my perspective to the extent that governments are better integrated within ICANN and feel like they have a voice within ICANN that's better for ICANN because if they're happy with their role there's less pressure to establish an alternative to ICANN through the IT or somewhere else.

So let me set that up there. So I think the question is not to debate Recommendation 11 right now. But in the post transition world whatever the final details are of the accountability because how do we want to operate to work with the GAC in this revamped ICANN so that the governments have a meaningful role in the policy process but don't control the process or the organization? And I'll stop talking and open it up for comments.

Marilyn Cade: Marilyn Cade speaking. Phil I like the premise that you've put before us because I spend the majority of my time interacting with governments in various configurations in the larger Internet governance ecosystem.

And I think the more we bring the government participation into ICANN the more we diminish the need for or even the interest for there to be a route around ICANN and move any of the functions to a either UN entity or a new entity that might be created in the future.

One thing that I would like to see us do more of is to strengthen our dialogue with the governments on sort of something like we're doing here, find a topic where the GAC generally and the - this noncommercial set of constituencies has a shared interest and work on that in a collaborative way.

And I might have some ideas later about what that is. But I think right now what I observe often happening is the exchanges between the GAC and the - our community take place over issues where we have misunderstandings rather than working on something of commonality.

And perhaps we could just put that, you know, forward to say can we find a topic where we and the governments who attend the GAC would want to work productively, not specific to the transition but on the larger issues?

Phil Corwin: Okay thanks Marilyn. Others who want to speak on this? Oh we're putting these - okay so I don't know who put them up. I will just go down the line. I don't see any - I see Steve but let's start with Lori and then we'll move - we'll jump back and forth.

Lori Schulman: I agree that we should definitely talk about the post IANA world. But I do have a technical question for Steve or if not Steve someone else who might know.

Just in listening to the compromise it sounds reasonable, it sounds like it will check some of the concerns. I know particularly that INTA has as well as the IPC generally.

But where I get a little stuck conceptualizing this is what does - what is a formal objection? Is it a rating? Is that I raise my hand and say I formally object? What are the parameters for that objection that would trigger this consensus?

Steve DelBianco: Phil would it be all right for me to answer that?

Yes there's a recognition a note, not a bylaw but a note in Recommendation 11 that acknowledges the fact that any AC makes its own decision-making roles. The GAC alone makes its rules.

So we use the words absence of formal objection is identical to the text in the UN and identical to the text in Operating Principle 47 that the GAC uses today.

So it's really up to the GAC to determine what a formal objection is.

But listen if advice comes over from the GAC and they represent it as broad agreement in the absence of any formal objection and it turns out that one or more GAC members formally object they need to tell us. And if they don't tell us they're not going to allow our board to understand whether we have advice that meets that condition.

But the board itself has the discretion of saying wait a minute. I'm hearing that maybe there are some objections to this advice. And the board itself if it were to act on that advice without inappropriate inquiry of all formal objections well then it's violated the bylaws.

And the community has standing to file an IRP on board's implementation of any decision where the bylaws were not followed.

So we cannot force any AC and SO to tightly package and explain exactly how they do formal objections. That's going to be up to them. There might be a lot of peer pressure in the GAC. They might have procedural hurdles and obstacles to maintaining a formal objection through their process.

But at the end of the day if the advice that comes over from the GAC has any formal objections from many GAC members we need to know about it.

We can't force it to happen but we can force our board to understand that they need to understand whether there's any formal objections.

So can you come up with a better way to force it to happen or have I created enough checks and balances here that we can overturn a decision where a formal objection was ignored?

Lori Schulman: I understand that answer. Thank you but I want to follow up with an idea.

And I on the opposite spectrum of Marilyn and I do not frequently engage with GAC and GAC members. That just hasn't been my remit. That could change I guess at some point.

So would it make sense in a post IANA world to think about particularly now that we have the longer meeting, Meeting C to have some sort of GNSO GAC policy summit once a year where it's an actual kind of exchange, workshop -- something that is interactive without binding either side so that there's more exchange to your point?

I think having liaisons is a good idea but I don't know that all liaisons are particularly active whereas if you had a policy summit you could get some concerns right out there at least once a year on the let's a top three to five policy priorities at the GNSO.

Phil Corwin: Okay. That's an interesting suggestion. I think such a summit will probably have to take place in conjunction with a ICANN meeting because that's the only time the GAC is all...

Lori Schulman: Yes...

Phil Corwin: ...together but maybe at the annual meeting at the end of the year we could...

Lori Schulman: That was my point.

Phil Corwin: ...put that in.

Lori Schulman: Meeting C, I think Meeting C would be a great opportunity for that.

Phil Corwin: Right. Okay Cheryl I see your card up.

Cheryl Miller: Thank you. I have not been directly involved in any of the Stress Test 18 conversations. But in listening to this it sounds certainly like a good compromise from my standpoint.

I do have concerns about, you know, the overall health and balance of the multi-stakeholder model with respect to kind of not including governments in a balanced way.

And so I think that's something overall that, you know, we should focus on and try to make this work.

And to Marylyn's point, you know, there is that risk of them sort of rerouting ICANN and I don't think that that would be long term a really a good thing for us in the long run. So thank you.

Phil Corwin: Okay. And Susan Payne I see your card. No? Is there another card up there? Oh okay Heather. Sorry it was a little hard to see whose would be up.

Heather Forrest: Thanks Phil. Sorry, this is Heather and I'm not on the Adobe. I'm having trouble with connecting.

Coming back to your comment Phil you asked a very specific question which I think is helpful which is what can we do to better engage with the GAC?

And one opportunity that I think that we have is this new initiative within council to respond to the GAC communiqué.

I'd like to see us use that as effectively as possible. I think that's a nascent effort. I think we need to take it much more seriously than we currently do and seize that as an opportunity to respond as substantively as possible to the things that come out of the GAC communiqué.

So that's something that we could all work on going forward. Thanks Phil.

Phil Corwin: Thanks. We're getting some good suggestions. Stephanie?

Stephanie Perrin: Yes Stephanie Perrin for the record. And I would like to as someone who naïvely put up their hand for drafting the last response to the GAC communiqué I think Heather's suggestion is a really good one.

We need a more substantive discussion on how to respond to that. I also originally put up my card to endorse the suggestion of having a face to face meeting with the GAC where we can actually have some live dialogue with them.

I think it would be while it would certainly be highly entertaining it would also perhaps clarify some of our concerns because we're talking through Chinese walls here if you'll forgive the expression. Thanks.

Phil Corwin: Thank you. And I'm just going to keep coming around the table and we're going to cut this off in about five minutes so we can start the other the next topic. Greg?

Greg Shatan: Thanks, Greg Shatan. We are lucky enough in Marrakesh for those of us who are there to have our breakfast once again be with the GAC not that it wasn't wonderful having breakfast with the ICANN staff.

But this is germane to this conversation. You know, it occurs to me we think in the conversations we've been having with CCWG it's kind of been a GNSO GAC interchange on Rec 11. But the CSG and the Non-Contracted Parties House is, you know, a different animal than the GNSO as a whole. And I think what we need to think about it whether there is a point where the Non-Contracted Parties House as such can interact with the GAC. We have

that for the CSG in this breakfast thing, but that's not the NCPH, it's not GNSO.

As the Non-Contracted Parties House, in essence, we -- as I think, you know, Klaus pointed out -- we represent the users; business users, non-commercial users, users of all types.

The Contracted Parties House represents a few hundred or less, you know -- maybe more -- businesses in a very particular sector -- obviously very important sector. Wouldn't, you know, minimize the importance of the Contracted Parties House, but, you know, the billion users or so that we collectively try to represent is an important sector.

So maybe finding a way for the Non-Contracted Parties House as such to relate to the GAC kind of whatever that channel might be. It seems like it's one that really exist. We have smaller and larger ways of dealing with it, but not that particular binary. Thanks.

Phil Corwin: Okay. And I think you're next Jimson, and we're going to wrap this up in about three minutes now, so succinct please. Thank you.

Jimson Olufuye: Yes, this is Jimson Olufuye. Just to underscore the point that we need to engage much more with government, actually that counts tentatively output from engagement we've had with governments -- like in the CSG working group on idea improvement, on the hands (sic) corporation, and having, for example, the distinguished delegate of Iran being a major applicant for ICANN today. So - and India as well.

So there's a lot of benefit in engagement of government. And as so, I truly support Lori's recommendation that we could have some (unintelligible)

summit and a summit where we could have plenty of engagement on future policy issues that would affect all parties. Thank you.

Phil Corwin: Thank you Jimson. And Steve, you have a quick comment and then we're going to bring this section to a conclusion.

Steve DelBianco: Thank you Phil; just three quick clarifications.

One of the other changes we made in the last two weeks in the CCWG -- with regard to how we interact with the GAC -- a lot of you know -- and especially Avri knows -- what the Accountability and Transparency Review Team does - - the ATRT; we've been through two of them.

One of the suggestions in the ATRT is to look at the role of effectiveness of interaction between the GAC and the Board.

We changed that last week to add it to this; to examine the role and effectiveness of the GAC interaction with the Board and with the broader community. So we're inviting -- you can't require -- but we're inviting the ATRT Team -- the next one that meets -- to consider not only the way the GAC interacts just with the Board but the broader community.

The second thing I wanted to clarify is that when I said earlier that we were going to restrict the GAC to be advised only to the community -- the empowered community -- is not just with respect to an independent review process challenge to the Board's implementation of GAC advice. It's for any of the powers that were done as the result of implementation of GAC advice.

So that if the GAC had proposed the bylaws change and the Board agreed to proceed with the bylaws change, and then the community power number three

is the ability for the community to block a bylaws change. Well we wouldn't want necessarily the GAC to veto our decision to block a bylaws change that was based entirely on GAC advice, so the GAC would be restricted from objecting or blocking the exercise of any community power that related specifically to the implementation of GAC advice -- including budgets.

And then finally, there's been a few of you that suggested the desire to do more dialogue between GNSO and the GAC. Well, the answer to that is of course there should be more dialogue.

But I would caution us about trying to channel that to one afternoon of one meeting a year. I don't think that's the way to do it. We need more consistent dialogue with the GAC at the most specific level possible; when we're in the middle of starting a PDP; when we're examining any potential issue that's in front of GNSO. We want to invite GAC to weigh in early with advice -- not late -- and to be as specific as they can with their advice as opposed to waiting till the end and coming in and upsetting the apple cart.

And Lori mentioned this notion of a face-to-face between GNSO/GAC. Well, you know, we do that at every meeting. So Sunday afternoon session -- it lasts for an hour. And it is the most stilted, unproductive conversations I have ever had at ICANN because GNSO councilors and leaders go through an agenda; there's a lot of formality.

The GAC members ask us, "What do you want on the agenda?" We ask them, "What do you want on the agenda?" There are a few topics and a very little amount of stilted discussion. It isn't necessarily very productive.

So having more of those would not -- in my mind -- be an improvement. We need to change the way we interact with the GAC so that it's more frequent, more informal, more technical, and sooner in the policy development process.

Phil Corwin: Now Steve, maybe at those meetings, we need an open bar to lubricate the conversation.

This has been a good discussion. I think there's been general support for better integration and dialogue with the GAC building on the process the Council already has with the liaison and with formal responses to GAC Communiqués and exploring the possibility of a productive summit-type meeting perhaps annually at the C Meeting of ICANN.

Marilia, did you have any comments about the discussion we just had?

Marilia Maciel: No, I captured exactly what you captured and Greg's suggestion with maybe opening a channel of the Non-Contracted Party House with the GAC directly.

Phil Corwin: Okay, great. Let's move on to the issue of the disbursement of the \$100 million and growing in the last resort auction fund.

Just as background, for contention set of new TLD strings, the applicants can either go to a private auction -- which has happened in many cases -- in which case ICANN receives none of the funds, or where one or more of them will not go to private auction.

There is a last resort auction run by an auction company selected by ICANN in which the proceeds net of the fees to the auctioneer go to a segregated fund being administered by ICANN. There's been no decision made yet on how

these funds will be used or the process for deciding how they're going to be used.

There's a -- I believe -- a CCWG being formed to address that. I'm not clear on what the status of that is. Maybe someone here knows that and can speak up.

But my personal view is that -- and I'll just do this to get a discussion started -- is that we're already over \$100 million with Dot Web and some other strings that are contention. We could easily get this fund up to \$150-200 million before this process is done.

That's a lot of money. And my view is that the best way to handle it would be to set up -- as is often done for funds of that size -- an independent foundation with a Board that is not directly connected at present with ICANN -- so there can be no conflicts of interest -- with a defined range of uses to which those funds can be dispersed.

I'd rather see -- rather than just giving out \$100 million or more in one big round which would be a formula for a lot of waste I believe and perhaps corruption -- just to treat it as an endowment and set a given amount -- to be dispersed every year -- a discreet number of projects meeting high criteria with a formal process. And again, this independent foundation choosing the funded projects based on objective criteria.

So those are my thoughts. I'll be quiet now and I open it up to discussion of how people believe this. And we can all participate in the CCWG once it's going -- how we would like these funds to be used in a responsible way consistent with the goals of ICANN.

Marilyn and then...

Marilyn Cade: Thank you Phil; Marilyn Cade speaking.

I'm just going to recall -- since some of you have come into the Council since the earlier discussions about this. But I know Tony Holmes was on the Council at the time as I was. There were - I think Avri was as well.

There was extensive debate within the GNSO Policy Council about the establishment of auctions as an allocation mechanism. There was extensive concern about gaming that might occur, about abuses might occur where names that had community interest would end up being auctioned to not someone from the community but from someone who had deep pockets.

I'm not going to revisit that but to raise the reminder so that we might be able to build on the concern that was established -- at that time -- to require that those funds be maintained separately from the overall ICANN budget so that they could not be applied to the operating budget of ICANN.

And I think that principle that -- as I recall -- it really was a principle that had very broad support -- not just from - later there were debate from applicants thinking that the funds might be used to repay their applicant fee.

But I never saw broad support for that and I saw concern that was I think fairly consistent across these communities that are in the room -- and on the part of the government -- that there be a total separation. That the ICANN operating budget -- and the ICANN Staff and the ICANN Board -- not be able to have oversight or determine, or that those who spend the auction fees should not have a vote on how the money is spent.

Around that same time, there was a kind of an informal -- not really a PDP -- but an informal significant amount of work done by members of the community on how auction fees from single letters -- at the second level -- might be spent.

And in that informal work, that also reinforced the idea that a separate -- no decisions were taken, nothing was done -- but that it was a very similar, Phil, to the idea that you mentioned that it be a separate foundation; there be no direct linkage; that priorities be established that were -- generally like SSR I think was one of them -- capacity building, enhancing participation from developing countries.

So I think, you know, maybe we could look at sort of a set of principles that we might find commonality about that.

And finally, I'll just make one other point. In the budget working group that Jimson and Tony and Antonio and some of the others of you and I have attended, we've raised the concern several times with ICANN about the potential of their putting their not-for-profit status at risk if they were to be using this as a revenue opportunity.

Phil Corwin: Thanks Marilyn. Sam?

Sam Lanfranco: Phil, thank you. I want to subscribe to or endorse what Phil said initially.

Almost everybody I have talked to agrees -- or is of the opinion and is of the measured opinion -- that these funds should be separated from ICANN, they should be administered by a professional capacity to do that -- whatever that is -- is yet to be defined. And that if our role should really be to help define what the principles should be behind the use of the funds, and that's it. I mean

there's no other way that ICANN could get involved without a whole bunch of problems coming to the floor very quickly.

The last comment which is a personal one is as an economist, I am still perplexed by why the applicants even end up at an ICANN auction. And I don't understand why the private auction which sounds like a win-win for them, they walk away from. I'm glad they do, but I don't understand why. I don't expect an answer to that latter part.

Phil Corwin: I don't think the objecting applicants who force the ICANN auction want to reveal their strategy.

It appears that Avri has a thought so I'm going to call on her.

Avri Doria: Thank you; Avri speaking. Yes, after listening to all of these other people thinking, some of it had to rub off.

So first of all, I want to say that I very much, you know, agree with the suggestion that you had about the foundation. It's been something that's been talked about for a long time.

From the very beginning, there were those of us saying, "You know, this is going to be necessary." And we constantly got the feedback from the Board that, "We don't really know if there's going to be any money, so we can't think about it until we have money." Of course, once you have money, it's really hard to think about letting go of the money, so that always concerned me.

What I'm curious about now is, you know, I very much, you know, agree with that. I think it's good that the GNSO has put together a working group.

But I understand the Board is also doing its own thing in terms of figuring it out. And I do not understand what brings these two processes together -- because they said they were. I don't know why they decided that but - oh, maybe I'm misunderstanding that the Board has its own process going.

But the Board was driving its own process, or have they accepted? I'm just confused about it. I haven't been paying, perhaps, close enough attention to it all because I have some people that are nodding that I might be right and some people are nodding like that's an insane situation. So I'm not really sure.

Phil Corwin: I'm not sure either. Is there anyone here who knows? I thought there was a movement towards establishing a CCWG. Yes.

Lars Hoffman: Thank you Phil; it's (Staff) for the record.

As far as I know, the working group -- the CWG Working Group on the matter of the auction proceeds -- is in the launching. And I very much believe that the Board will cooperate and implement whatever the CWG will recommend what to do with the proceeds.

Phil Corwin: Could I ask you? Before this meeting, (Unintelligible), could you maybe share what the participants linked to any announcement on that so we can, you know, get the official word on where that CWG stands and how those us who may be interested in participating can do so?

Lars Hoffman: Sorry, I didn't get the beginning. You want me to do that right now or to write up something and share with the participants in a minute?

Phil Corwin: Before the meeting ends tomorrow, get it around to the participants.

Lars Hoffman: No problem at all.

Avri Doria: Can I ask a follow-up which is it possible for someone to get back from the Board? Maybe Marcus will be able to do it when he's here, but get back a Board concurrence with that feeling of sureness? Thank you.

Phil Corwin: Sure. We have some other - real quick Marilyn.

Marilyn Cade: Can I ask -- rather than getting back to us by tomorrow -- would it be possible to get back to us by close of business today so that then -- tomorrow -- we could still talk about that?

Lars Hoffman: Marilyn, thank you for that comment. And as always, we will try to do it even before the close of business today. So as soon as I have the information, I will relay as soon as possible. Thanks.

Klaus Stoll: This is Klaus for the record. I would just quickly offer one guiding principle. That whoever has anything in the slightest to do with the decision making -- how the funds are spent -- is automatically barred from receiving any of the funds for gratuity because money makes very funny things to people.

And I think if there's the slightest connection between the decision-making about the how money is spent and those who receive, it will screw the process and will not reach what we want.

Phil Corwin: Okay, thank you. Jimson, I think your card is up?

Jimson Olufuye: Yes. Klaus, you're talking about the issue of conflict of interest. Okay, well, I think it's so important that we're (unintelligible), we find out there's some gaps that need to be filled internationally in terms of outreach, capacity, and to

bring in the unreached to the ICANN community. So from my perspective, that would be one of the things that the fund could be used to do.

So I quite look forward to hear back from the Board and the CWG. And then also the foundation idea is a sound one, and what is basic is that those gaps need to be filled. More people need to be connected and we need to have some intervention.

What we're doing right now to reach the unreached globally is not sufficient at all -- is not sufficient at all. From my experience, it is unfilled, it is not efficient. And just to underscore this point.

Whoever will be on the committee or those that will be engaged to know that we need to reach out to the wider group of community and bring them on board. Thank you.

Phil Corwin: Okay, are there other cards or hands? Carlos.

Carlos Raúl Gutiérrez: Thank you very much. First of all, there is a paper going around chaired by Jonathan Robinson on this working group. So I don't know if we have finished the period of comment, but we should all be aware about that paper, and maybe there is still some time to comment.

Second, Sam already said, I mean it's very nice when you have the money. The question is why is so much money there and will spend some time thinking if the enterprise was too low or too high in the applicants round that produces such an extra amount of money.

For me, it's strange, and I will try to bring this issue to the competition -- Consumer Trust and Consumer Choice -- review. I don't know if they will accept to bring into the discussion.

And the last point I want to make is if I look back at spectrum auctions, they have two characteristics which I think are very important. First of all, they are time limited.

And second, there is a strong enforcement that spectrum is used for the purposes it was assigned. And I wonder if the money of the auction should partly be considered for the compliance function. Thank you very much.

Phil Corwin: Yes, good thoughts Carlos. And, you know, take for example, Dot Shop which just GMO just bid over \$40 million to win that auction. They apparently believe that they can make a profit on that registry even after paying \$40 million for the rights; that they have business plans that will give them adequate return.

Whether that's true or not, you know, the future will tell, but that's how the prices are set. The different applicants have different ideas of what they want to do with the registry and what the market is going to be and they put their money down.

And I think our task is to make sure there is a credible bulletproof process that makes wise use of those funds.

I'm going to get to - I'll call on Cheryl in a minute. But one - they're not in the room with us -- the other side of the House -- the GNSO -- is not with us. But I know if we had registries and registrars here, some of them would probably

be suggesting that some of the funds be used to either promote new TLDs or to address the universal acceptance -- technical issue.

Any thoughts on that? I just throw that out there, but I'll call on Cheryl whose card is up.

Cheryl Miller: Thank you. I don't have a thought on that specifically, but I did want to reinforce the point that was made with respect to conflict of interest. I think however we structure the process -- that and transparency -- it's going to be really important moving forward.

Phil Corwin: Are there any more - over on this side, anyone else? Yes sir.

Mark McFadden: This is Mark McFadden.

Regarding the confusion on whether or not there's a Board process, let me read from a letter on April 15 that the Chair of ICANN Board wrote to the GNSO Chair, so it will be a dramatic reading from the letter. I'll be trying to channel the voice of the Chair of the ICANN Board.

The Board has explicitly - and I'll start over again here. The Board has explicitly committed to a full consultation process. Input from the CCWG will be quite welcome, but so will input from other sources. The Board has not chartered any group to make decisions about the auction funds and we plan to proceed very deliberately.

We will proceed very shortly with a call for inputs on general ideas on concept -- not specific projects. We make a point of reaching outside the usual ICANN Supporting Organizations and AC structures to include the rest of the Internet community.

We will, of course, be glad to mention -- we will be glad to mention the CCWG -- offer it as one of the ways for people to be involved.

So there is a separate Board effort. That Board's effort has been in place -- as I understand it -- since January of last year. And I think the fact that there needs to be an interface between the CCWG and the Board in this regard is disturbing to some people; it's certainly disturbing to me.

And so I read that into the record just to clarify that Avri was indeed right; that there is a Board process that is parallel to this and a superset of it.

I will - let me make a comment on something you brought up Phil, and I'll do this very quickly, and that is on universal acceptance. I think universal acceptance is an issue that is far broader import than just the new gTLD program.

Using the auction proceeds for it might be one example of a project that reaches the high bar that you talked about. But I think that the universal acceptance action activities need to be funded by a more general source -- more general and commonly available source.

Phil Corwin: Mark, thank you for reading that letter. And when you read it, I recalled it and I recall when I first read it saying, "Who are these other people involved with ICANN-type issues or are already involved with ICANN?"

And it did seem like the Board is going to say, "Well, we're happy to take input from the CWG, but we'll make the ultimate decision." And I think we may need stronger pushback from GNSO on that.

I'm going to call on Lars and Christian for quick comments and then we're going to move onto the final issue because we have 25 minutes left for this session.

Lars?

Lars Hoffman: Thank you Phil; Lars for the record.

Mark, I share your concern and others have -- when the letter was submitted in fact -- back in April of last year. There has been a discussion since, and we believe that we have moved on from there.

There was a clear exchange of views with the Board at the time. There was a meeting at the ICANN Meeting last summer that the CWG -- led by or started off by the GNSO -- should hold very much the pen when it comes to these decisions. And as far as in the sand, there has been communication between the GNSO Chair as well as the Chair of the ICANN Board, so there is an acceptable course both to the Board and to the GNSO.

So those concerns are very, very valid, but they were addressed at the time. And I think we have moved on from that issue, and the Board has very much come onboard as I understand it.

But just to continue very quickly to another point and then I'm very happy to answer any follow-up questions.

As far as I understand, the process is whereby a drafting team is being formed or a CWG. The two GNSO representatives on the CWG for auction proceeds - I'm sorry - have also been chosen. That's Jonathan Robinson, the former chair, and Tony Harris is in fact here with us.

And there will be a call going out. There should be two representatives from that group from every SOAC. However, it's also open to other participants and the group will operate under normal cross-community working procedures whereby other members are welcome and invited to join the group to make the decisions. And the Board is fully onboard with this process.

We're concerned - the staff is - or GNSO support staff is aware, the position in the letter has been reversed. And this is no longer the case that the Board thinks it's a mandate and acts upon the advice of (unintelligible) others, but it's the CWG that will drive this and the Board will approve the outcome at the end by any unforeseeable obstacles that, you know, that may give them the authority. But at the moment, it's very much the CWG that will be driving this just like any other CWG, and the outcome will then be approved by the Board.

Phil Corwin: Okay, thank you for that Lars.

Christian, quick comment and then we're moving on to the final topic. Thanks.

Christian Dawson: Very brief; Christian Dawson for the record. Lars, your comments make my comments real short; thank you for that.

I just wanted to put Mark's note about universal acceptance into a little bit broader context. As the global route matures, as the Internet changes, that is one example of the types of things that require broad technical outreach such as IPV6 and name collisions. These are things where you need to reach out to a broad community.

And so using that example, there are many things beyond just universal acceptance that could require funds that meet that high bar. That's all.

Phil Corwin: Thank you, okay. Summing up, we're going to have to move on to the final topic but we can continue talking about all these things throughout the next two days.

General support for the idea of an independent foundation; dispersing these funds over an extended period for clearly defined purposes that are consistent with the purposes and goals of ICANN and that help build the ICANN community, and that has to have the upmost integrity and the lack of any kind of real or perceived conflicts of interest.

And Marilia, I'm going to - I know you had a comment on this and then you can tee up the final issue on capacity building because that comes from the Non-Commercial folks. So you can start the discussion off on that.

Marilia Maciel: Thank you very much; Marilia speaking.

One final comment about this; I liked very much what Carlos said before. And I think that when we consider what to do with the auction resources, it is important to look at the global picture as well.

I know that the resources have been revamped and it's good. However, we heard in the last meeting with the Global Domain Division, a breakout of the money that has come from the new gTLD program. And a considerable amount of money -- I was impressed -- has been put aside considering the possibility of litigation -- litigation that never came.

So this money is sitting there such as the auction money is. And I think that when we consider what to do with the auctions, it is good to look at the broad

picture and all the resources that we have that could be channeled into new things.

So I completely agree with your summary. I think you summarized very well what was said. The only point that I would add is to seek this clarification on where the Board stands -- and Lars as a follow-up -- to present us with a call for the group to be created.

And with that, I'd like to introduce the next topic. Lars, you have a follow-up? Please, Lars.

Lars Hoffman: Just very briefly -- just to clarify. So the call will be to form a drafting team to draft the charter for the CWG on auction proceeds. That drafting team -- at the moment -- is foreseen not to be open to everyone but to two members of each of the SO and ACs.

The CWG itself, once it's chartered, it's then open to everybody -- just to clarify that to set expectations right. And I'll get back to you on the matter as well Marilia. Thank you.

Marilia Maciel: Thank you very much. Lars, just to introduce the last topic of our conversation today which is (unintelligible) computing, this topic came out yesterday in our conversations in the NCSG. And I'm going to pass the microphone briefly to Klaus so he can explain better because he was the one to raise the idea.

But in a nutshell, our concern is that more and more NGOs and civil society as a whole are turning to channels such as social media, and not being interested -- at least as a first option -- to have a Web site, to have a tool and a domain name because they see no added value; because they believe that a channel on social media could fulfill everything they need in terms of communication.

And we see that from our side with some concern because we believe that only a domain name -- having a space aligned -- is completely different when it comes to how you operate in line, and the freedom that you have -- the control that you have -- over your own content; your freedom of expression. In terms of service can change from day to night.

And we see this as a real business opportunity for others that could explore this market in a more meaningful way, and make sure that this people understand the value of domain names. And that could open business changes as well.

So that's how we would like to frame the discussion.

But Klaus, you want to comment on anything?

Klaus Stoll: Yes, very quickly. I mean, as I said before, we all are involved in policymaking. In ICANN, we are doing are working groups, we are meeting (unintelligible).

But whatever we are doing inside ICANN with policymaking, we have one big problem -- not problem -- but one big thought behind is, are we legitimate to do this? Who is the one who is authorizing us because the problem is - and I know you heard me saying that many, many times, but it's never that we're still right.

Internet Governance is like a country where 99% of the population don't even know that the government exists. And there's a number -- nice percentage -- which I would like to mention in that context.

You know that NPOC and GKPF did a research last year on the use of the DNS by civil society organization. And 60% of NGOs in Europe lost their domain name in the first three years after registration for several reasons. And there's something wrong with that.

We have to be -- by all our policymaking, by all our working group work and comments drafting and things like that -- we need to be aware that we - actually, nobody is selecting us. We need to have an obligation that other people that are end users are aware about what's going on, aware about the DNS, aware about what it does and how it functions so that at least they have an informed choice to get enrolled or not.

And to that point came something - comes also a very - two things what be mentioned. For example, we are talking about human rights in ICANN. And some of us did the brilliant job in getting that really on the agenda of ICANN.

But that is not good enough. The human rights will always be a question and somebody will always try to chip away. And the only protection we have is in the DNS. If the end users, if the people who are basically doing/using the DNS are actually aware about it and protecting it, the same thing is with stability and security. And everything in our policies needs to be backed up by the end users.

The other thing is if you look at the DNS, maybe it is totally unintentional, but the DNS is actually a brilliant tool for democracy and securing rights. And if you look at, for example, the civil society organizations going onto social media, they're basically signing away most of their rights on the Internet, and they are not aware about it what value and what guarantees the DNS is.

The DNS is something wonderful, it's brilliant if you believe or not. It's something which has a real value. And we need - and there comes -- which brings us altogether -- we need to do more when it's a capacity building on a basic level.

And by the way, it makes business sense. At 60%, if we get these people who lose all their domain names and went over to social media back into the domain name system and paying their \$10 or \$12, I think a lot of registrars would be very happy with that.

So to finalize the whole thing is - you know what the NPOC and other people started (unintelligible) in the capacity of building program which is now running for about two years and it's gathering strength.

And all I'm trying to say is please, let's be aware about the need of it and please join everybody, and let's make that also a topic in ICANN because it's about us and it's about securing and strengthening the DNS. Thank you.

Marilia Maciel: Thank you very much Klaus. I have a comment from Meredith and then I have a tag over there that I can't reach. But Marilyn, please.

Marilyn Cade: Thank you. It's not that I don't recognize, particularly, the importance of fact-based information -- about the use of the unique identifiers such as IP addresses or domain names and what the benefits are -- to particularly looking at small businesses and small businesses in the developing part of the world.

But I have a little bit of a concern about taking an approach within here that would say that the use of a commercially provided service such as - that is being provided by a particular company -- or an ISP or whoever -- should be marketed over a different approach.

If the idea is to have a fact-based fact sheet, materials that can be provided, I would think that that would be not necessarily something that ICANN should be doing; I'm not really comfortable with ICANN doing business development for one business model versus another.

But I would think that perhaps some of the funds that are available -- that could be applied for -- might be then used to develop the kind of materials that could be distributed from a constituency into the communities that they're trying to reach.

And again, I would just say -- from a very small SME perspective -- you know, we might find a consistency and the need for that kind of information.

Marilia Maciel: Thank you Marilyn. Over there please.

Julf Helsingus: Okay, this is Julf. I would kind of like to pick up on that, and so Klaus, I really agree with the spirit of what you're saying. On the other hand, I totally disagree with the fact that we might not be the right people to do it.

The fact that people don't really know about ICANN is maybe a good thing. If we actually do our jobs really well, they shouldn't know about us. We should keep the main system running; we should keep to it with reasonable policies.

But I don't think we should be promoting it. Whether people use it or not, that's up to them.

Klaus Stoll: Just a very quick reply to that, I understand that.

But the point I'm trying to make is, when a (unintelligible) to building is as much part of the policymaking process as everything else we are doing. I think they cannot be separated, and I'm more than happy to discuss it more and more about it. I just wanted to put it on the table.

I understand your position and accept it. For me, it is 50/50. Other people like Marilyn coming from a totally different approach, but that's something else.

Marilia Maciel: Thank you. Stephanie, your hand - I can't see from here.

Stephanie Perrin: Stephanie Perrin for the record.

While I too have great sympathy for what Klaus is saying, I think that -- tactically -- there are certain things that ICANN has a responsibility to do.

If our efforts in the HR side are fruitful -- and we're able to get a human rights impact assessment done -- then such things as the 2013 RAA would be subjected to a human rights impact assessment and it would clear that provisions in that RAA agreement should include notification to the individual of their basic human rights -- which would include their legal privacy protections in their jurisdiction.

At the current time, that agreement does not include that. It includes an obligation on the part of registrars to collect all the data -- an obligation on the part of registrars to let them know if there are privacy/proxy services available -- but not a notification that they might actually have law that protects them.

I think that's the kind of thing that ICANN should pull up its socks and do prior to getting into a massive public awareness campaign -- which I think would be fought with a number of perils as suggested.

Marilia Maciel: Thank you. I have Rudi, Jimson and Martin. Rudi?

Rudi Vansnick: Thank you Marilia; Rudy for the transcript. I would like to make a comment on what Marilyn was saying about having NGOs or the civil society being in the group of the business itself.

Just to take a sample of my country where NGOs are in fact providing 40% of employment, if there is no support for NGOs, NGOs will disappear; but the jobs will disappear too.

And looking to the developing regions, a lot of NGOs are helping building up on the fact that if you don't have an economy, your NGO will never be sustainable. You need the kind of economy that supports NGOs.

Now, by having NGOs putting their values into the social media, they are losing the right and in fact the property of what they are putting into social media because that's how social media (unintelligible) today. They are making money out of what we are putting into it.

And for an NGO, that is destructive. That NGO is losing its property when it puts their info -- their information, their reports, their consultation -- on social media.

When they put it in on their domain name -- on their own Web site -- they have the right to say it hours (sic). But the moment you put it into social media, you're losing control over your content. And that's what I think one of the triggers to enforce NGOs to have their own domain name.

And it's somewhere in ICANN's remit to be sure and to assure that NGOs have the right to have a domain name.

And just to conclude, when we're looking to the results of the Dot NGO/Dot ONG, after almost one year of operations, only 2500 and a bit domain names have been registered. That means that there is an issue in getting recognition for that TLD.

I would like to see how we are going to resolve the problem that if Dot NGO/Dot ONG is not more successful, then there is a problem with that recognition.

Marilia Maciel: Okay, quick comment from Phil.

Phil Corwin: Yes, in regard to the Dot NGO, that's the Registry operator is the public interest registry which still operates Dot Org. I would think it's their responsibility to publicize the availability. And given their base, I think they have good ability to do that. Just my quick comment.

Marilia Maciel: I ask the following speakers to be very brief; Jimson, please.

Jimson Olufuye: Yes, thank you; Jimson speaking.

These just need to underscore the importance of business capacities surely in the developing countries. I fully support the point that the capacity needs to be built and every sector needs to be encouraged.

In fact, if you look back to the history of Internet, it came out of support. It was a public-funded support that gives a lot of businesses that are with us today.

So when it comes to ICANN key objectives, that is to further evolve globally. So this - for the strength in the fact that any sector of the ecosystem that has a challenge or that needs support needs to be fully encouraged.

Even as we know that we are Internet Governance, and ICANN is focused on technical parts. ICANN cannot afford to turn its back to Internet Governance - - cannot afford. So it must be involved. As much as it's focused on technical issue, must still have its hand on supporting the sector that has effect on this core issue. Thank you.

Marilia Maciel: Thank you. Martin and then we'll close with Greg.

Martin Silva: Thank you Marilia. I just wanted to (unintelligible) a comment on the need that we don't have to promote the users (unintelligible) specifically. I think the point is that the multistakeholder needs a minimum participation of the actual society; not just, you know, an elite -- by chance, by will, by desire -- want to participate.

And in the bottom here is the operational concerns of the NGOs is more (unintelligible) than just NGOs that cares about civil rights or Internet Governance. We're (unintelligible) out someone that maybe cares for environment or animal rights or taking out trash in a proper manner.

And those NGOs have really -- really -- these are really full concerns of the DNS world.

So we need some sort of outreach to have some of them give us the basic minimum input we need in the multistakeholder system. It's not the real

promotional DNS that we have to bring everyone here, this has to be - it's about the minimum requirement (unintelligible).

It's like if the businesses would address at all DNS, we would have to go to the business community and say, "Hey, we have DNS. Please come join us to create the regulation of the DNS." It's that sort of necessity that we have or that I think we express.

I want to (unintelligible) that I believe that's why we are talking that when we say we have to promote DNS and NGOs community because we need to reflect on the minimum participation of the community.

Not of the NGO of civil rights, but of the NGO world -- all of them. Thanks.

Marilia Maciel: Thank you. Greg?

Greg Shatan: Thanks; Greg Shatan. And I think I agree with that, and I would extend that, you know, clearly beyond NGOs. I think, you know, there's large parts of the business communities -- especially small and medium-sized businesses -- that aren't, you know, well represented. You know, brick-and-mortar businesses that are not, you know, intimately engaged, but, you know, clearly depend on the Internet as part of their life blood.

It may be a long-term hope that we can solve all the problems and have, you know, no governance issues left. And then at that point, your wish could be granted and then nobody will know about ICANN anymore.

I don't think it will ever get that boring. About 100 years ago, the head of the US Patent Office suggested that it be closed because all the important

inventions had already been made; he was wrong. So I think we'll be wrong about that for the foreseeable future as well.

So I encourage the broad capacity building because I do think, you know, the multistakeholder model, you know, needs not just different types of stakeholders, but as many stakeholder awareness as possible.

The last thing I'll say is that as part of capacity building, we need to work very hard to demystify what we do, and somehow simplify it in a way. All of the acronyms, the learning curve, all of that stuff, you know, that is a challenge -- which I think we so far largely failed. And it's not just us; it's everyone in the ecosystem that has failed to find a way to make this comprehensible. Thanks.

Marilia Maciel: Thank you very much Greg.

To try to sum up, I think it was a very interesting discussion. Clearly, it raised an interesting debate. There is more to be explored here. I think that there is some difference between focusing on NGO for contributing or having broader contributing that would encompass different sectors of the community.

So what I would ask Rudi maybe is if you can just lay on the text or if you have something already that covers the concerns that you have just presented here that we can use to continue the conversation maybe on the list, that would be extremely helpful. Thank you.

Rudi Vansnick: As I said...

Marilia Maciel: Stephanie has the last point. Okay, Rudi and Stephanie, very quick because we are on top of the hour.

Stephanie Perrin: Stephanie Perrin for the record. I just want to bring this back to our discussions with the GAC.

In my view -- while I agree with the concerns expressed -- there is a role for governments here, and this is a role that we should talk back to the GAC. It is their responsibility to enable their people to participate on the Internet in the next coming -- shall we say -- age -- for a lack of a better word.

And if they're not doing it, then somebody needs to remind them of it. I don't think it is ICANN's responsibility to do the publication -- to the promotion -- required to get everybody onboard.

That is a separate issue to the issue of getting a wide variety of people represented on our working groups here at ICANN. I think we have to keep that clear.

Klaus Stoll: Okay, in the spirit of not agreeing with Stephanie, I just would like to let you know that yes, we have some materials and we will share them with you and we can discuss that.

And in the meanwhile, I would like to invite all sectors -- business, governmental, civil society and so on -- to participate. And this is an open invitation to engage on the Internet. Thank you.

Phil Corwin: Do you have any last?

Marilia Maciel: No. Do you want to close?

Phil Corwin: Well, that brings our first session to a close. Thank you for the very thoughtful and varied participation on the three topics we agreed upon, and you made our

job a lot easier. And now we're going to step aside and make way for the next discussion. Thank you.

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