

**ICANN**

**Moderator: Brenda Brewer  
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Woman: The recording (unintelligible).

Chuck Gomes: Thank you. This is Chuck Gomes. I was the lead on the Design Team O on the IANA budget. So I am going to be leading this call. I hope everybody will feel very free to jump in and contribute.

I sent around yesterday some fairly detailed background information and some objectives. And so what I'd like to start off doing is proposing an agenda.

The first thing I'd like really to do is to get some confirmation from (Paul King) that I have captured his concerns accurately and, if not, have him correct anything that I am misunderstanding. And then I put some objectives - if I have done that correctly, I have put some objectives down towards - three call objectives. And if my understanding of Paul's concerns are correct I think those will work kind of as an agenda after that. And, if not, we'll adjust it accordingly. And certainly if there's anything anybody else wants to bring up or questions people have or suggestions they have they will be very welcome. So are there any concerns about that agenda or suggestions for changes?

Okay, not hearing any or seeing any hands raised - let me ask, is there anybody on the call who is not in Adobe Connect? If so, please...

Leon Sanchez: Leon (Unintelligible). Yes, Chuck, this is Leon (Unintelligible).

Chuck Gomes: Leon?

Leon Sanchez: Yes, thank you Chuck.

Chuck Gomes: Okay, Leon, welcome and so you know what to do Leon. You're experienced so that you can, you know, if you want to speak up let us know verbally and we'll get you in the queue. Anybody else?

Leon Sanchez: Thank you very much.

Chuck Gomes: You're welcome. Okay, so let's go ahead and get started. And, (Paul King), sorry to put you on the spot. And for everyone, if you have - if you did not read the email message I sent around yesterday please feel free to skim through that on the screen now and you should have scrolling ability so you can see the whole thing and take a look at that.

Paul, if - is it okay if I put you on the spot?

Paul Kane: Perfect.

Chuck Gomes: And..

Paul Kane: Thank you very much Chuck.

Chuck Gomes: (Unintelligible) you had a chance to look at what I sent around. Did I capture your concerns - the ones that haven't been addressed yet - accurately, Paul? I heard his voice a little bit ago. Not hearing him now. It looks like you're on mute Paul. There we go. No, still on mute. Now.

Paul Kane: Okay, how's that?

Chuck Gomes: That's good. Thank you.

Paul Kane: Okay, excellent. Well thank you very much Chuck and apologies all for just bringing this issue to the table possibly a little late in the day. But I have to say I did listen in to some of Design Team O's discussions on this subject and I thought there was a lot of wisdom in the proposal in that the budget work that the CWG was undertaking was really trying to focus on insuring the secure and stable operation of the PTI post transition.

So when I was listening to Budget Team O - and I do take onboard Chuck's comments that it was not specifically recommended within the CWG proposal, but it was, I believe, differed to insuring the financial autonomy of the PTI post transition and the accountability of the PTI to deliver service in accordance with the financial autonomy that the independent body, the PTI, would achieve.

So I think, Chuck, you have captured the essence of what I was trying to convey - namely that this is not a budget issue per say. So it's not a quantity of expression of how much money should be provided for the PTI. It is more of a stability issue in terms of insuring PTI does have the appropriate funding for - (unintelligible) me too loud again. Let me just adjust my volume. Adjust microphone volume - okay.

Chuck Gomes: I like the loudness, Paul - this is Chuck. Because I have a little bit of hearing loss, but thanks for doing that for others.

Paul Kane: Well Mr. Chair, you've prevailed. So my goal is really, whether it's - I don't like the word escrow. Particularly it is more making sure that when PTI is set up that it is assured of having (unintelligible) years funding - a bank account with sufficient years funding to insure stable operation outside of effectively the whim of ICANN board or senior management. So it is a truly independent affiliated company of ICANN. And that is best secured by potentially placing terms within the bylaws so in the event, catastrophic event, of ICANN's financial demise, the receiver effectively is unable to access the funding that's being set aside for PTI so at least the registry community and the naming community and the protocol community can be assured of ongoing service. But my emphasis is on the naming community issue from the get go.

So you've accurately considered my issue, for which I am grateful, but I do think we need to emphasize that this is an operational issue progressing operational stability rather than just a quantity of expression, which budgets are noted as primarily designed for. Thank you.

Chuck Gomes: Thank you very much Paul - this is Chuck. So if you - for those that are in Adobe and hopefully, Leon, you can - you have the email that you can look at as well, but in - if you go to the top - scroll up to the top in the bottom of the screen depending I guess on your monitor - I gave my interpretation of what Paul was suggesting might be a good idea.

And the first one was to put aside an amount of money for funding PTI for three to five years. The second one was making sure that there's a bylaws requirement for that advanced funding. And third, including funds - and this was one that we didn't talk about - the third one we didn't really talk about in

Design Team O, but I think it was a good point to bring up is, making sure that the IANA budget funds include something for transition to a new operator should be that be needed.

So - and we'll come back to each of those, but if you'll scroll down a little bit from there - if you want to follow and not just listen - the Design Team O did talk like Paul said about the idea of multi-year funding. We didn't end up recommending that specifically, although we definitely supported what Paul is saying, that we want there to be no question that there will be no gap or even delay in IANA services funding. And so, in other words, PTI funding, especially in the case of the naming function. So we're in sync. Our recommendations were in sync with what Paul is trying to achieve here and I think that all of us want to achieve. It's just a question of how we're going to do that.

Now the - so the approach that's in the CWG proposal as I think everyone knows now is not - and I won't read all of the text. You're welcome to do that in the next part of the background I talk about - and I actually quote some paragraphs from the annex four regarding the budget there in items A, B and C. You can read those for yourself, but the approach to accomplish the objective of insuring continuity of funding without an interruption in the CWG proposal is a little bit different.

So instead what's there - and it's consistent with the same thing for the IANA budget overall - there's the community involvement and a process still needs to be developed for that, and the CWG or a designated organization is tasked with doing that and I assume that would happen during the implementation phase before the transition. But - so with that the community would be involved in a process yet to be developed that would finalize the IANA budget - and this would need to be done earlier than the full - earlier and separately

from the regular ICANN budget. And if anybody has questions about what the timeframe is on that I'd be happy to go over that. I think most of you probably already know that. But it would need to be earlier than that and there would be the opportunity for the community to veto the IANA budget totally independently from the full budget. Okay? Two different processes.

And if that happened there would have - there would already be a budget in place for that contingency so the funding continues to go on during that. And then, in fact, my understanding, Xavier and his team are working on the development I think not only of a special budget for that for ICANN in general, but also for PTI so that we have that. So I see - Rudy, I see that you asked if there's a finance committee meeting in Marrakesh. Are you talking about the board finance committee or are you talking about the ad hoc committee? You might want to clarify that in there. I can't answer that. I don't know whether there is or not. The - I see Xavier is on the call - welcome Xavier. Maybe you can either speak up - feel free if you'd like or if you want to put it in the chat that's okay.

So he was talking about the ad hoc committee that some of us have been on. I know Rudy has been on that, I've been on that, others have been on that. So we will see whether that is scheduled. I would think it - there would be considering where we will be on the budget process. Because I think the budget - the draft budget is supposed to be posted on March 5, so that would be very good timing for that.

So you - hopefully - and for those not in Adobe what Xavier put in there - he said, yes, we will have a meeting of the ad hoc finance committee and they just haven't finalized the timing yet, but that will be done. Thanks Xavier. I appreciate that very much.

And so the approach then in the stewardship proposal that has already been approved by the CWG is different than what Paul has proposed. And so we - one of the things I think we need to decide in this call today - and, Paul, I certainly want your input in that - is that approach satisfactory to insuring continuity of funding for the IANA functions in contrast to the multi-year funding approach that you suggested in your messages that you posted in the last week or so.

So in other words, would the caretaker budget approach - now that's done on a year by year basis - so it's - that's in contrast to the way Paul has proposed it. But it's still designed to insure continuity of funding with no interruptions. So one of the questions that all of us on this call today I think need to answer, is the proposed approach satisfactory to accomplish the continuity of funding? If not, then our recommendations in the CWG would need to be modified, which has inherent complications in the overall process in coordinating with the CCWG and so forth. So I'm not saying it can't be done. I'm saying at this stage of the game it will add some complications to it. So hopefully that makes sense. Paul, please go ahead.

Paul Kane: Thank you Chuck. And I just would like to stand back and say I'm not trying to add any complications to this process. I think the CCWG proposal does capture the process of assigning or determining a budget. There is a number of months before the final ICANN budget for the fourth coming financial year is addressed and so the mechanisms for determining the budget, namely the quantitative expression of how much money is likely to be required, is covered off in the proposal.

What is not covered at all and what I'm wanting - I would welcome being included in the proposal is very simply insuring that there is a bank account to which ICANN has made a contribution in advance to insure that the staff that

work at PTI can be assured that they have a stable basis on which to deliver the PTI service to the global community. What I'm trying to do is move away from an annual reviewing process - so effectively the end of the financial year there is zero money left in the kitty, which could be somewhat disruptive from an operational perspective and also the messaging that's being sent out to having sufficient resources in that bank account to insure two or three years worth of stable operations so if there is a hiccup in the budget cycle - I understand you have a caretaker budget, but the bill still has to be paid and my goal is to try and make sure that the PTI staff, the ICANN-IANNA staff, are assured and have the resources to deliver a stable robust service to the global community.

And I just - I'm picking up on (Jonathan)'s point. I think that's a very good point. How we could potentially make this work within the current proposal and the implementation work that is currently ongoing. So I'm not - I'm wanting to be constructive, but also send a good message out to the global community that the PTI - the new unknown, untested body - has sufficient resources for stable operation. Thank you.

Chuck Gomes: Thank you Paul and I'm going to - I want to make one comment before I go - this is Chuck - before I go to Olivier and Martin. And that is that there already is in the CWG proposal the task of developing the process - and it may be that we could include - and I think that's what Jonathan Robinson is suggesting in his chat comment - it may be that we could incorporate what you're talking about in the process and so I just throw that out, but let me go now to Olivier, one of our DTO members. Go ahead Olivier.

Olivier Crepin-LeBlond: Thank you very much Chuck - Olivier Crepin-LeBlond speaking. And it's the DTO member who is having a Deja vu movement. The problem is because we've had that discussion regarding putting some funds in escrow



and I think that's what Paul is suggesting. That we'd have a certain amount of money that is put in escrow. And as I can repeat what I said, was it a year ago or something? I was fully for this. I don't know why this was dropped. And I do have concerns that saying, yes, we have a caretaker budget. We have a budget and a caretaker budget if the budget is not agreed. That doesn't fulfill the requirements of IANA actually receiving money. You can put anything you want in a budget. If your account is empty your budget is worth nil. You're going to - whatever it is. Bankruptcy and stuff.

So this is just - I see the concern that Paul has and I certainly agree with - I would favor the use of escrow for funds to be put aside, but as I said, I can't remember why we haven't gone forward with that. So perhaps other members of BTO might be able to enlighten me on this. Thank you.

Chuck Gomes: Thank you Olivier and, you know, I've been racking my brain too and I can't remember why, but maybe somebody else - Cheryl is on and others. So maybe they can remember why we didn't do that. But the thing today in our meeting - regardless of why we didn't do it there. I think if this group on this call feels that that's something that still should be done then we can go that direction and hopefully without really detracting from the proposal or having to change the proposal that's already out there. But we'll talk more about that later. Martin, you're up.

Martin Boyle: Thanks Chuck. It's Martin Boyle here. Yes, I must admit I have been trying to work out in my mind why the IANA budget itself would be at risk. And I think I can see just three major roots where there might be a mechanism for failure or the one that Paul has already mentioned where ICANN speculates all its money in a casino in Las Vegas and goes bust. And a second one would be that PTI itself goes rogue and starts overspending its budget. And the third one would be the community vetoing the budget. And it's only in that last one

where the safety net, the caretaker budget, can kick in. But I think the sort of issue I've got is I'm not greatly sure I can see how a veto - how an escrow account would work in all cases.

I've got a little bit of concern about putting quite a large sum of money into escrow and where that money is then going to come from, baring in mind that Paul was talking about a three year escrow. And that then obviously has to come from some sources. And the last one would be really whether it is possible to try and build something into the bylaws in such a way that ICANN has got a liability towards the IANA functions operator, in the first case PTI, in such a way that the funding for PTI is protected in the case of ICANN going belly up and meanwhile we've still got a mechanism for responding if PTI decides that it is going to hemorrhage money on its own projects.

So I think I'd like to just understand a little bit more carefully about the dynamics of the funding flow before we suddenly start saying, well, yes we're going to put three years' worth of funding and then the next step is, well, where are we going to find that resource that's going to sit in there and then what happens if a case of PTI going rogue or ICANN going bust not necessarily being resolved by sitting with a very large pot of cash. Thank you.

Chuck Gomes: Thank you Martin and I think you make a really good point. The first two scenarios you describe probably wouldn't be solved by an escrow account. The third case would I think, but well said. Thank you for that. Lise, please join in the conversation.

Lise Fuhr: Thank you Chuck. Well actually I find this - I don't know much about the legal part, but for me if ICANN went bankrupt an escrow would actually, in my mind, protect PTI and make us insure that PTI could work for some years without the ICANN money. But what I think is actually important here is if

we kind of think that we need one more tool in insuring the stability of PTI. I think we should take a decision on that and then work on the more - the details at a later stage. Because at the moment we didn't envision to have this escrow or funding or whatever we're going to call it. We just had the caretaker budget. And to me it's a new issue that we could may be put under implementation, but I would be very careful not to have that delay any of the CTWG work.

So while I think it's important that we find a way to solve this either by saying we don't think we need it or if we need it, how do we work with this? I also urge us not to make it delay anything for the ICANN accountability group. Thank you.

Chuck Gomes: Okay, thank you Lise. I appreciate that. So - and I think Lise is right. Hopefully on this call we need to make some sort of a judgement, at least for the subset of us from the working group that are on the call, as to whether we think we should pursue this further and, if so, we need to talk about how that can be done and the implementation or whatever. Jordan, I'm glad you jumped in before you have to jump off. Go ahead.

Jordan Carter: Thanks Chuck. Can you hear me?

Chuck Gomes: Yes.

Jordan Carter: Yes, just a really brief point. I was CCWG's side manager for the budget (unintelligible) if you like and through the discussion with Chuck and with others we've kind of made the changes that are visible in the document on the screen. Nothing I've heard so far on this call sits outside the bounds of the CCWG work and what we've tried to do is not get into CWG responsibilities in terms of designing the IANA budget process. But to include a checkpoint to

make sure that the CWG is happy with the way that CWG implementation leaves the budget process.

So whether there needs to be an escrow, whether there needs to be (unintelligible) and the timing of the budget and so on. That was stuff that we see squarely is within the CWG and its design team's responsibility to arrange and I'm pretty confident there's enough flexibility in what we've done then to make that work. So I guess the last point I'd make is that on the call that finished about three hours - about six hours ago and the CCWG did finally close out all of its proposals, which are now going through finalization.

So and if there was something that did come up that did require further changes to us and you just need to know that it would have a very material impact on the timeframe to get the CCWG proposals ready for consideration and approval by the end of the Marrakesh meeting. Because literally we're down to that week by week things piling up on each other. But we've - I think in terms of the broad powers that we've provided they work for what you need based on all of the discussion that I've seen. So I hope that people are reassured by that.

Chuck Gomes: Thank you very much Jordan. I appreciate that. So we really have to get a sense of the people on this call in terms of whether they think some form of multi-year funding, whether it's (unintelligible) or whatever, should be pursued - possibly during implementation. We can talk about that later. I'm glad to see Xavier's hand up and I'll turn it to you in just a few seconds, Xavier. I noticed that Jonathan Robinson raised a question, could we legally do that? And I don't know if there's anybody on the call that can answer that question from a legal point of view, but I did want to point out that question, which is an important question to ask. Xavier, your turn.

Xavier Calvez: Thank you Chuck and just to provide maybe some perspective that may be helpful to the group in your thinking on this topic. I think the concern that Paul raised is a concern of financial sustainability and stability of the organization. And the way ICANN currently handles that includes, not exclusively, but includes having a reserve fund. The reserve fund of ICANN is one that is undesignated - meaning that it's a general fund that's meant to be covering for any risks that would occur.

In that perspective if you fast forward to a post-transition where ICANN is not anymore just a corporation, but includes now two corporations, one called ICANN, one called - whatever the PTI will be called - therefor becoming a group of two entities. And the reserve fund is still there in the same fashion to cover for the risk that this group could face. So the - in my view and maybe I'm - how do you say that? I'm speculating on the future, but the reserve fund of ICANN is one that exists to cover for the financial sustainability of ICANN as a whole. And in that (unintelligible) cover from an umbrella standpoint if you see what I'm saying also the potential refunding requirements for IANA.

So if ICANN funding, for example, would be drying up. That's what the reserve fund is there for. To cover for revenue shortfall or shortage for a limited period of time. And allowing then the organization to find alternative sources of funding. So the risks of sustainability - to sustainability that I think Paul was trying to make sure can be addressed for the PTI are currently in the current mode covered by the reserve fund of ICANN and can continue to be covered by the reserve fund of ICANN. So I just wanted to provide that insight. I don't necessarily think - suggest this and (unintelligible) or a solution to the concern, but I thought it would provide some insight to how the concern is currently handled (unintelligible) there is any questions or comments.

Chuck Gomes: Thank you Xavier. It's Chuck again. I just want to tag on to what you said and it may kind of connect to something that Jonathan Robinson said in the chat and he'll get a chance to talk in a minute so I'll let him do that, but I wonder, and you may not be able to answer this. It may be a legal question. I'm not sure who the right person is to answer it. But I wonder, because of the priority -- and this is, of course, what (Paul Kane) is getting at, and I think most of us who are registries, myself included, associated with one, right.

I wonder if a priority could be put on the reserve fund that the PTI funding would be at, if not the highest, the higher priority than other needs for the reserve fund. And I don't know if anybody can answer that, but that's a thought that popped into my head as Xavier talked about using reserve funds. And certainly reserve funds could be used for. I don't think there is any question about that.

So let me go to Jonathan. Go ahead, Jonathan Robinson.

Jonathan Robinson: Thanks, Chuck, and others. Two quick points. The way I interpret towards syncing Israeli about some form of protection of a portion of those funds, exactly as we were discussing. So in some way a portion of the reserve fund was specifically set aside and arguably transferred into the bank account of IANA in order to guarantee a form of financial stability in the event of ever happens at ICANN.

I guess there are probably two issues. We've been talking about catastrophic issues, you know, serious funding problems. But there may be less catastrophic issues, a form of lack of oxygen, financial oxygen. So I guess those are the two issues.

My earlier point on the legality of it was not so much about whether or not one could do that. I assume that's readily within the corporation's ability to do so, to allocate its funds as it sees fit. But the issue would be in the event of a catastrophic problem at ICANN, could there be legal protection of those funds allocated to IANA. And that's a question I'm sure none of us can answer on this call.

But I do remember there was some quite interesting discussions we got into and the advice we received about the different scenarios and the degree of legal protection in the event of financial catastrophe at ICANN.

Chuck Gomes: Thank you, Jonathon. Greg, we're going to go to you.

Greg Shatan: Thanks. Greg Shatan. Far be it from me to offer financial advice. But just from my experience, it might be better to have that reserve fund contributed to PTI, which, if you remember, is a separate corporation, which may be controlled on a governance basis by ICANN, but probably should be bankruptcy remote from ICANN. I think we need to get advice on that.

Presuming that it is remote from ICANN, I wouldn't get sucked into any ICANN bankruptcy. It would be far safer for that reserve fund to be held by PTI rather than by ICANN.

Chuck Gomes: So, Greg, this is Chuck. Let me ask you a question. Are you essentially suggesting that there be a separate reserve fund set aside for PTI and then possibly -- I'm probably making two questions out of it -- and controlled by the PTI board?

Greg Shatan: I think it would be controlled by the PTI Board; that would have to be very specific. Since it is a reserve fund, there would be a number of restrictions

around it. But in the case of a bankruptcy or adverse financial event at ICANN, the reserve fund is fair game for creditors and others. The PTI reserve fund, if it's set up correctly, probably shouldn't be.

Since the idea is for this reserve fund to be for PTI, it's also kind of commonsensical as well for it to be affiliated, to be held by and on behalf of PTI rather than by ICANN.

Chuck Gomes: Thank you, Greg. Good contributions.

Xavier?

Xavier Calvez: It's an old hand, Chuck. I'll remove it.

Chuck Gomes: Oh, okay. It was an old hand. Okay. Thanks. So anybody else want to jump into this discussion. Paul, please, go ahead.

Paul Kane: So we've spent a fair amount of time this evening discussing catastrophic failure. I think the catastrophic failure of ICANN is pretty unlikely. Obviously, I like the idea of financial independence for many reasons, one of which is the IANA (unintelligible) has been run with almost full autonomy in the past, and the oversight NTIA has helped facilitate that.

Post-transition, the financial independence is one thing but also the administrative independence is another. So the PTI's emphasis is on delivering a quality of service to the customers rather than to its potential master, which is ICANN.

So the other aspect of having financial autonomy really enhances the opportunity for PTI staff, IANA staff, to deliver a robust service to the



registry community, the naming community in this instance. And that's another aspect that I would also like to bring to the table as well.

Chuck Gomes: So, Paul, this is Chuck. Let me ask you a little more pointed question. Do you think, assuming it was designed correctly -- and Greg made some very good suggestions there -- do you think that the use of a reserve fund, possibly a reserve fund for PTI, would solve your concern about the multiyear funding. In other words, instead of having as one option an Astro account with multiyear funding, there would be a reserve fund sufficient enough to cover any - whatever the reason may be that funding is needed for special circumstances.

Paul, can you respond to that?

Paul Kane: So the reserve fund goes a long way in terms of making sure (unintelligible) catastrophic failure, the PTI and IANA staff are assured of a paycheck. The slight reservation I have to say, yes, I 100% endorse it. Basically, the PTI as an independent affiliate company within the ICANN framework, which is what we're all supporting and we're all advocating, needs to have that financial autonomy to make sure - as in the past, unfortunately, and it hasn't happened in recent years, but there has been historical evidence of registries being put under a lot of pressure to sign agreements with ICANN - CC registries being placed under a lot of pressure.

And if one failed to do so, the service one got from the IANA was impaired. There has not been any evidence of that in recent years, in almost a decade. But I would hate once the PTI has been created and the NTIA's oversight is no longer there, there wasn't the opportunity for PTI to say, we have to act in a non-discriminatory basis; ICANN, you pay us the funds into the independent account, but our duty is to serve the global community, not you, ICANN.

Chuck Gomes: Thanks, Paul. I want to follow that. And then all the discussion with a couple of questions or comments. Number 1: If we were to use a PTI reserve fund and we followed the practice of ICANN in the reserve fund now of targeting to have at least one year of funding in the reserve fund, and I understand it's dropped below that, so that's not our job today to talk about the financial stewardship and the costs that are building up.

If we followed that, then a reserve fund of one year of PTI expenses certainly wouldn't cover the three to five years that Paul was talking about. So I just put that out there for people to be aware of, not that we would have to restrict it to one year, but that's something I think to keep in mind.

Now, a question I'd like to ask everybody that's on the call is: Is there anybody that doesn't think we should be - that we need to be concerned about the multiyear funding issue that we're talking about right now -- put the details aside for now how we might do that. But is there anybody who does not think we need to worry about that?

And to phrase the question another way is: Do you think that the process proposed right now for the caretaker budget is sufficient, and so we don't need to pursue this further? If you think that way, would you put a green checkmark in Adobe so that I know whether we have kind of a general consensus that this is something we should pursue further?

And while you're thinking about that -- and I'll ask for the checkmarks in a moment -- let me let Martin speak first. Go ahead, Martin.

Martin Boyle: Thanks very much, Chuck. I suppose for me it's very difficult to answer that question without, I suppose, sort of building up a feel of what else might be

possible to put into place. One of the concerns I would have would be to essentially give a significant sum of money under direct control of PTI, or for that matter just to (ring) fence money specifically for PTI that then makes it rather difficult to recover should something start going wrong within PTI.

Now it seems to me that year-on-year, we've agreed a budget. And just before the financial year starts or right at the beginning of the financial year, ICANN would make its annual payment in line with the budget for PTI into PTI's account. That gives PTI an independent over that year. If PTI - sorry, if ICANN then, for whatever reason, was unable to make a payment for subsequent year, I think we would know that well before we got to the end of the year for which PTI is funded.

Now, the IANA budget is funded by a levy on the registrants of new gTLDs - of gTLDs, and it's also funded by voluntary payments from a number of ccTLDs. It would not seem to me to be beyond the (width) of those organizations that are making the funds (unintelligible) instead of paying ICANN to pay directly into PTI.

So, really, I'm just sort of trying to get clear in my own mind what prevents us looking at this within the current framework that we've got and in the implementation process start to look at how we might need to allow organizations to fund PTI directly should ICANN be unable to fund PTI itself.

I think, from me, there are just too many unknowns of the financial environment in California and too many unknowns in what it is we actually think might go wrong and what sort of time scale for those things going wrong might be before we put a lot of money out of reach from the normal day-to-day budget. And that would need to, at least in the short term, be funded by those people who are paying for the IANA functions operation budget.

Thanks.

Chuck Gomes: Thanks, Martin. And let me say -- and, of course, we're quickly running out of our scheduled hour -- I'm confident we won't actually determine the how of everything we're talking about in this call. But I do think we need to come out of this call with a sense of whether there is pretty strong consensus of everyone on the call that we recommend that we work on this issue and work on the details in the coming days.

So let me let Jonathan Robinson talk and Olivier and be brief, if you can, guys. And then, again, I'm going to ask anybody that doesn't think we should be going this direction to indicate that in Adobe, or if you're not in Adobe, to speak up so that we at least get a good sense of which we need to pursue this further.

So, Jonathan, go ahead, please.

Jonathan Robinson: Thanks, Chuck. Jonathan Robinson. I will be very brief. I think this group will determine what it wants to, and that's fine. What we do need to be careful of, my feeling is, and I expect Lise agreed with me, we will find it very difficult to go back to the CCWG, as I said, for all sorts of reasons I won't elaborate on now. We will find it similarly difficult to modify the CWG proposed at this stage.

So I think if we are to go down any practical route of dealing with this, it will have a recommendation of the CWG as part of our oversight of implementation. If so, it would be good to understand - we need that recommendation from the DTO to the CWG. And then the CWG could say, actually this is something that was overlooked on ourselves but fully by DTO

but now is a recommendation. And we could put it to the CWG to get the CWG's backing and then make it an implementation recommendation.

So that's it. From a practical point, I think it's how we get through this if, indeed, it's something we want to do.

Thanks.

Chuck Gomes: Thanks, Jonathan. Olivier?

Olivier Crepin-LeBlond: Thanks, Chuck. Olivier Crepin-LeBlond speaking. Since I last spoke, I've been trying to track back where we discussed this and in what context. It looks as though we might have had something that could have, one way or the other, fallen between the cracks, I'm afraid.

It was in response to the public comment process, which happened in June 2015 where the DTO produced responses and recommendations in an e-mail that actually Grace sent on the 2nd of June last year. That then was folded into the overall table of responses to the public comment.

Responding to question number 3 to 7, I think, 3 to 7 were - and comment 3 to 8. 3 to 7 was from (Vialac); 3 to 8 from the IPC. And there what we did say was that the budget process - so PTI will submit a budget to ICANN 9 months in advance and ICANN would approve it at least 3 months in advance of the fiscal year. One year of operating expenses updated on an annual basis in escrow and an additional year kept for funding PTI only should be kept in low risks investments. Both years of funds will be for use of funding PTI in case ICANN is unable for some future reason to fund PTI.

So I'm not sure where this takes us now and what happened then. But that's what was in the file which is entitled "Public Comment Review Tool, 10 June, 2015 (unintelligible)."

Thank you.

Chuck Gomes: Thank you, Olivier. And it seems to be consistent with what people are saying in the chart and what Jonathan said that, that could be part of the implementation and the process for budget approval. And that, of course, avoids creating more problems for the CCWG work.

So as I said now, I'm going to at least bring this call to a close unless a lot of people want to take it longer. I can but I'm not sure everybody else can. There are several decisions, I think, we need to make. So like I said before, if there is anybody that doesn't think that we should even worry about this concern of multiyear funding for PTI, regardless of how we might do that, would you put - let's have you put a disagree, a red X, in Adobe Chat. And if you can't do that, speak up and we'll take note of it.

So is there anybody that this we don't need to do anything on this particular issue? Now there are a couple of other issue we need to handle. I'm just talking about the multiyear funding issue that Paul has suggested. I don't see anyone that's disagreeing. So I think there is consensus on this call that we should recommend doing something about this.

I'm going to make the jump as the leader of this meeting to conclude that we need to decide how we're going to work that in the next few days. We don't have very much time, although it can actually, because its implementation, can be worked out further.

So I'm going to conclude that there is consensus in that. Now what I want to do - Jonathan, is that an old hand? Go ahead, Jonathan. Oh, it is an old hand. Okay. Good.

If you'll scroll down into my e-mail message towards the bottom there before the references, I said some things we need to decide. And I think we've just decided on the first one that we need to do something. But we don't necessarily - we shouldn't have to change the CWG proposal. So I think A, upper case A there, that item is done. We've decided there is consensus in this group today on this call that we should work on this issue as part of implementation.

B: One of the things in our proposal is that the CWG stewardship should detail the planning process by which the IANA budget is established as part of its implementation program of (work) including the level of detail required to be provided for the community input and the timeframes for consultations and approval.

To my knowledge -- and Lise and Jonathan, please correct me if I'm wrong -- but I don't think we've taken any action on that. I would recommend that we, as a follow up to this call, assuming the CWG as a whole is supportive of this, is that we decide how we're going to do that and get that process going.

Now, Xavier and his team that have been so very helpful in this effort probably can help us on that. I think that it would be very helpful for the CWG to initiate a process, probably a subgroup that would work on this, looking at that IANA budget approval, the timing of it and relationship and earlier than the overall ICANN budget and including the details we're talking about today in terms of multiyear funding.

So is there any disagreement with that idea? Of course, certainly Lise and Jonathan, if you see problems with that, please speak up as co-chairs of the CWG. Okay. Lise and Jonathan, I'll let you and your leadership decide how you want to pursue that. Certainly, if I can help, I'd be more than glad to help however possible there.

And then item C there that Paul recommended is that some elements of what we're talking about, he's recommending be in the bylaws, which is something that's still being worked, right. So my individual thinking is, is that could be included in the work of any subgroup we form or however we decide to deal with item B. If somebody thinks we need to do that separately, we can do that, too.

Is there any disagreement with the things I'm suggesting here? So we at least leave this call with obviously some very important action items.

Jonathan and Lise, let me put you on the spot. Is there any more clarify that you need out of this call in terms of working with the full CWG in the next few weeks?

Lise Fuhr: Chuck, this is Lise. I only have one concern, and that is actually if we can - how to deal with the inclusion of this fund into the bylaws. Is that the budgeting process? If that's what's to be included the bylaws, I'm more relaxed but I think that's a part of requirement. I don't want to be too specific about the fund in that.

Chuck Gomes: Thank you, Lise. Let me put Paul on the spot again. Paul, this was one of the suggestions you made. Can you comment on that?

Paul Kane: I would like to thank everyone for participating in the call. I found it very useful. I think the solutions, or the direction we are now traveling will actually



enable us to address this. I hope the global registry community will welcome during this which, as Olivier pointed out, we had mentioned but it did fall between the cracks.

So, thank you, all, for accommodating this concern. So thanks.

Chuck Gomes: Paul, just to follow up a little bit further on the bylaws issues, are there particular elements, understanding we don't know the details yet. Are there particular elements of what we've talked about today that you think need to be in the bylaws, or is that something that - we're going to have to finalize the bylaws relatively soon. So is there something that you think should (unintelligible) not?

Paul Kane: If possible, I would like to have it captured within the bylaws. So in other words, the right of PTI to have the autonomy that many of us on the CWG have been advocating as an affiliate of ICANN. But I'm not a lawyer. I don't understand how the mechanics would work, but I'm sure it could be added.

Just building again on what Jonathan has said, we need to focus on what can reasonably be achieved within the scope of the work that we are about to undertake. So I'm happy to put the time in, but I'm not a lawyer. I think it would be good to have it in the bylaws, or reference in the bylaws, but what shape or what form it would take, I'd be guided by people much more learned than I.

Chuck Gomes: Thanks, Paul. I'm going to put you on the spot one more time. This is Chuck. If you would send an e-mail to the CWG list just saying what you think should be in the bylaws, don't worry about format or legality or anything like that. We have legal support that can help us do it right and word it correctly. But if you would do that, I think that will facilitate moving forward quickly on

this as quickly as possible. And we are in a time crunch. Is that something you would be willing to do?

Paul Kane: I'm a software engineer. I write code. I'm not a lawyer. I'm not good with words. So it someone...

Chuck Gomes: Don't worry about the words, Paul. Just - you actually said it verbally, at least part. Okay.

Paul Kane: Okay. That's fine. No. If anyone has any ideas, by all means send me a quick e-mail. I'll try and capture it. And, yes, I will try and do as you ask, Chuck. But I'm not a policy guy. I'm a software guy.

Chuck Gomes: That's all right. You've made some good contributions and you'll do fine. We'll be able to fix it up. Grace, your turn.

Grace Abuhamad: Oh, I just wanted to remind you that we'll have a transcript coming out within the next 36 hours, so we can also just copy the transcript of what Paul just said into an e-mail, if that makes it easier for everyone.

Chuck Gomes: Good. Thank you, Grace.

Paul Kane: Thank you, Grace.

Chuck Gomes: Paul, feel free to add to what you actually said there. Again, it doesn't have to be the words we're going to finalize on just so that the concept is there. Again, I'm kind of pushing this because I know that we're at the end of a critical cycle. In the next few weeks, you're going to be very important to get everything finalized and we don't want to impact that in any negative way.

We're over time. I'm sorry about that, but I really do appreciate the very good participation and thank everybody for that. Lise and Jonathan, I'll let you take the lead in terms of where we go next. Again, if I can help in that, I'd be more than happy to.

Notice Xavier's comment in the chat there that we need to be careful that any provision relative to this topic will not have been submitted to public comment and thus become a private working group opinion. Well, I get that. I think Jonathan and Lise will likely take this back -- anything that we conclude here -- to the full working group. That's not public comment. But we will all have a chance through our SOs and ACs, especially the chartering organization, to have input into anything that we finalize here.

It would be good for those that are representing registries who are direct recipients of IANA services to, once we get it a little bit more refined, to make sure that there is good understanding by both ccTLD and gTLD registries with regards to what we are doing. But I think probably it's going to be a pretty easy decision for those of us who are registries on this, because it ensures the continuity that we all need and want.

Greg points out that implementation isn't generally subject to public comment. So thanks, Greg, for that.

Again, thanks, everyone. Is there anything else we need to cover before I adjourn this call?

Man: All good.

Chuck Gomes: Thanks and thanks for going over time a little bit. It sounds like we have some more work to do. Have a good rest of the day.

Group: Thanks.

END