ICANN

Moderator: Brenda Brewer
April 7, 2016
3:00 pm CT

Coordinator: Recordings have started.

Cheryl Langdon-Orr: Thank you very much. And I would note for the record that Mary is on audio only. And we are expecting that, for some reason, that we are unsure of at this time Chuck has been unable to join us. But staff are reaching out to him to see if there's a technical difficulty with him joining today.

We will ask now whether or not there's anyone who is on audio only and not in the Adobe Connect room. If that's the case please make yourself known now. Only hearing someone's Skype going bing in the background. I'm assuming that what we can then is take our attendance from the Adobe Connect room.

And we will now look towards the continuation of the agenda that we had worked on earlier this week on the 5th of April. We got through the first four items of our agenda, as this is a second meeting, not a continuation, however, we will ask if there is any additional items for the agenda. At the moment we are assuming that we will continue discussion on Items 5 and 6 as noted in the

shared screen. But is there anyone who wishes to add anything else to our agenda for today's meeting or any other business?

Olivier, go ahead.

Olivier Crépin-LeBlond: Thank you very much, Cheryl. Olivier Crépin-LeBlond speaking. And just asking whether we're going to touch on the response that we have received Sidley regarding the agenda items that have been dealt with in the last call?

Cheryl Langdon-Orr: Indeed we will. We'll handle them after concerning the agenda if only you had read that book I recommended to you some time ago, you'd remember that Robert has a suggestion on how things go in order of an agenda. Sorry, that's a little joke between Olivier and I and it was supposed to be…

Olivier Crépin-LeBlond: Which Robert?

Cheryl Langdon-Orr: It's all right. Okay so having not had any changes to the residual agenda I'll note Xavier's hand is up but I suspect this might be a response to matters arising from our last meeting. So just before we get to you, Xavier, I just want to check from staff are there any particular action items from our last meeting that we need to report on and then I'll go Xavier.

Grace Abuhamad: No actions from us other than the ones noted on the – in the notes pod.

Cheryl Langdon-Orr: Terrific. And just for the record, because Mary isn't reading the notes because she's only on audio, the outstanding action items from prior calls are listed as followed. Xavier to provide clarification on the DT-O budget draft. And Elise and Xavier to to discuss IANA services budget, which is why, I suspect, that Xavier has his hand up. So over to you, boss.

Xavier Calvez: Thank you, Cheryl. Actually my point was about suggesting another agenda item, which is relative to how do we move forward on the solutions for a – for the financial stability of the PTI, which is partially what we discussed last meeting or meetings prior to that. And I wanted to offer a path forward to the group knowing that I had a very quick, short discussion with Chuck on the topic. And in his absence I wasn't sure whether we should (unintelligible) this topic but since I have an idea of what he has in mind I thought I was going to bring it up as well.

So if we can find time in the – in this meeting I would like to offer that topic, which is how do we move forward on financial stability for the PTI and finding a solution for that.

Cheryl Langdon-Orr: Oh thank you very much. This is Cheryl for the record. Xavier, that actually links or I believe has a (clear) nexus with the point that Olivier also raised which was of course to discuss the most recent legal counsel advice that we've had on the questions that we sent to legal counsel.

So does the group wish us to deal with those matters now? Because I think that's ongoing business as opposed to what we could technically describe as newer business, which is Item 5 and 6 as listed. And if that's the case, Xavier, feel free to also reference the most recent legal counsel opinion on our questions. And also if staff does have access to that if that could be described that would be useful. But in the absence of that we will assume that all of us have read the recent emails back in. So, Xavier, please, back to you. And that can be our current agenda item.

Xavier Calvez: Thank you. So can – do you mind clarifying for me which one of the items do you want I start with knowing that I have several to address?

Cheryl Langdon-Orr: Well if – Cheryl for the record – if I had my druthers I'd like you to very quickly suggest the – if you and Elise have in fact had a discussion or not and then we've got to close that off. And then I would think that if you've had any information that you've given back to Chuck regarding the DT-O budget draft that's pretty much a yay or nay and – or work in progress. And you can get down to the nitty-gritty of the more important matters of the sustainability and security of IANA functions budgeting.

Xavier Calvez: Okay so let me start in that order. So Elise and I did discuss last week, don't remember when exactly, and on the IANA budget as well as on other couple related topics. And I also had a – in my conversation that I had with Chuck I had also asked him for clarifications as – on the CWG recommendation relative to the IANA budget. So none (unintelligible) very substantive but more process oriented.

And Elise and I discussed – and is consistent with what I discussed with Chuck – that we would work together on trying to develop a high level budget process that relates to the timing of the ICANN budget process and spells out the phases that happen – that are specific to the IANA budget process and how do those phases relate to the timing of the ICANN budget.

Understanding that there is a desire coming out of the proposals that the IANA budget is a process that is happening in closing – happening faster and closing earlier than the ICANN process. So – but we have not yet developed that but we understand and intend to basically work on developing a high level sequence of steps for the IANA budget development. And match those steps to where they would set with – against the ICANN budget process development.

One thing that we also discussed is that when we talk about budget – I'm stubborn and keep coming back to the same topic all the time, budget is the quantification of an action plan. The action plan is actually called an operating plan. So I think we're talking about the development of the design of an operating plan and budget for IANA rather than just a budget for IANA.

So we have talked about the plan. We have – I think we have a relatively clear idea of the fact that one, it needs to happen earlier than the current schedule of the ICANN budget. And, two, that it needs to have – to include steps of community, generally speaking, validation of the content of that budget.

And I'm not yet trying to be specific but community means certainly the CSC, probably some kind of PTI board involvement, probably some kind of broader community input, whether through a public comment process specific to it or differently. But one, an earlier time frame; two, community validation of that IANA functions operating plan and budget. Let me stop there to see if there's any comments or questions.

Cheryl Langdon-Orr: Thank you, Xavier. Cheryl for the record. Just coming off mute. I'm not seeing any hands. Mary, do you have any comments or questions seeing as you're only on audio?

Xavier Calvez: And Alan has his hand up as well.

Cheryl Langdon-Orr: Let's hear from Mary first.

Mary Uduma: Not yet. Not yet.

((Crosstalk))

Cheryl Langdon-Orr: Thank you, Mary.

((Crosstalk))

Cheryl Langdon-Orr: Terrific, okay. I'll come back to you a little later then. Alan, over to you.

Alan Greenberg: Thank you. Just a very quick comment. There's a lot of vagueness in what Xavier just said in terms of not being specific about the consultation process, not being specific about the times and things. And I like all of that. I think it's quite appropriate. We shouldn't be putting – trying to build a very complex structure right now. We should set the overall parameters and let's see how it works. Maybe we need to refine it as we go forward. But I think that's just at the right level. Thank you.

Xavier Calvez: And just to be clear for everyone, to bounce of Alan's comment, what I'm suggesting is that Elise and I intend to put together documentation of what that process would look like that includes taking the steps of design, development, input and from whom and so on.

And the sequence, none of this is to the level of which day and which people attending but to the sense of what involvement, what sequence of steps and how does that marry with the ICANN budget for your review so that at least we are addressing the points of – the roles and responsibilities and the timing as well. And then we can iterate that together.

But to Alan's point, I was being very vague simply because we have not yet produced that draft with Elise. But that's what we know we need to address. So I was only trying to point out to the aspects of the plan that we need to address. And we intend to address that through a suggested draft, which will be high level, to Alan's point.

And once we agree that it makes sense together with the DT-O then we can move forward to maybe a more refined or more detailed level later on. So that's the plan.

Alan Greenberg: Yeah, just to note, I was complimenting you. I don't think we should be locking this in and specifying it to the nth degree at this point. I think we need to make sure that everyone understands the overall principles. And, you know, we need to have some level of trust at this point that you're not doing this to screw us.

Xavier Calvez: Right. No absolutely. Thank you. That's very helpful, Alan, I agree that…

Alan Greenberg: That's my opinion…

((Crosstalk))

Alan Greenberg: …others may disagree.

Xavier Calvez: Understood. Okay.

Cheryl Langdon-Orr: Oh I'm sorry I'm just smiling here. It's Cheryl for the record. And that was Xavier and Alan speaking, perhaps the transcript will need to sort that out but obviously Xavier wasn't complimenting himself, it was Alan talking about the fact that he was complimenting Xavier.

Xavier Calvez: If you want me to compliment myself I'm sure I can do it.

Cheryl Langdon-Orr: I'm sure you can, my dear, but I don't think we need it on the record. That was Cheryl for the record. There are still a couple of points – and it's good to

see that this is now I think clear thinking among a high level approach to the planning.

We still would like to, I think, under this particular agenda item, also look at when it's likely to have a delivery on this plan. I'm not trying to get anything concrete, please, Xavier, I'm just thinking for our follow up and action, is this something that you and Elise would be looking at in Q1 coming up or before the end of this financial year? What's your general timing on this?

Xavier Calvez: So I would want to do that as soon as possible, which is not very specific yet. What I don't know is if w have a specific constraints on time for that definition. But I would definitely want that to be before the end of June. Also because I would assume that to the extent possible any part of that future process that we could consider moving forward during the FY'18 planning process, which is going to start basically in July, in three months from now, we would want to try to do it.

So not necessarily entirely the process may be possible to implement because maybe some parts, some groups, would not be formed yet that would have an involvement in the future. But whichever part we think makes sense to proceed with we would want to try to do that.

So bottom line I would want to try to have a good draft that we would have discussed together that we could maybe present somewhere in Helsinki so that's a very general timeframe that I was thinking about, Cheryl, in response to your question knowing that I have not yet discussed that with Elise. But our intent was to start earlier than later and ensure completion at the right time.

Cheryl Langdon-Orr: Cheryl for the record. Thank you, Xavier. From my personal perspective I think that makes incredibly good sense. And the reason I was hoping that you

might say what you did and not that you should be thinking about it in Q1 but the next, is that the further we are along in this before people are looking too closely at the checkboxes on implementation the better from my perspective. Obviously I – and the thinking from an accountability CCWG point of view as well as the CWG in that view, then DT-O is also thinking for both those groups at the moment in some aspects at least.

Before we wrap up on this I wondered if – if Xavier, we could get a little reaction from you and then discussion amongst those of us on this call about the specifics in the discussion that went on regarding the legal feedback. Unless something additional has happened since I last read through that thread, I thought most of our concerns, particularly that raised by Elise regarding the use of PTI in bylaws and whether that would somehow – had some sort of enduring effect, etcetera, had been settled.

But let's just open it first of all to sort of general discussion. Is there any questions or discussions or how are we – how are we feeling comfort-wise as to where we are in our feedback from our questions from the last meeting? And I'll open the floor. And, Mary, I know you had a couple of points you were raising so I will come to you, if you want to formulate your thoughts. But before we go to you, Mary, I'm going to Olivier. Olivier, over to you.

Olivier Crépin-LeBlond: Thank you very much, Cheryl.

((Crosstalk))

Olivier Crépin-LeBlond: Olivier Crépin-LeBlond speaking. Yeah, you will have seen the answer that I've sent on the mailing list. And the question that I've asked to Chuck and I'm – it wasn't a reply to that, I wonder how others feel about this. The CWG proposal says that the budget needs to be ready at least or at –

sorry, the PTI should submit a budget to ICANN at least nine months in advance of the fiscal year to ensure the stability of the IANA services and it also says that the budget – the IANA budget should be approved at a much earlier timeframe than the overall ICANN budget.

Chuck mentions one month. I couldn't find that one month note anywhere in what was submitted to NTIA. And I'm – it might have been an implementation thing that I didn't see. And so I wondered how others are seeing this and whether that one month is really a much earlier timeframe.

I would have thought that if the PTI budget was submitted nine months in advance and if it had to go through a public consultation that could also be – that budget could actually be much – approved much earlier than one month in advance. And I'm thinking of the budgets that the board had a few years ago, if you recall, budgets that were approved in two phases; one phase in March and one phase at the end of the fiscal year or 27th or 28th of June.

In fact I think that we had some early budget approvals because the board was late – the budget was finally – the rest of the budget was approved in August. So I don't know how that's feasible or not but anyway I've spoken too much already. Let's see how you all feel about this. Thanks.

Cheryl Langdon-Orr: Cheryl for the record. Thanks for raising that point, Olivier. I suspect it's something that Xavier and Elise and his team will probably want to take on notice in terms of the historical content – context of that split budget and approval approach remembering of course that we are talking a operational plan and budgeting exercise and it may very well be the multiyear operational plan that is the most important thing to get established and then a more regular and routine adjustment thereof.

Now am I channeling you appropriately, Xavier? Or did you want to respond to Olivier with a different approach? And before I ask you to respond at all I note in that chat you wanted us to specify which questions and which feedback, we were talking about feedback from Sharon – Sharon Flanagan in response to the high level and light touch bylaw language proposal that Lise and Jonathan sent forward for Sidley response.

And I'll just read to the record where I think it is up to now. Perhaps staff could just make sure I have the latest version. And if they – if what I read to the record isn't the latest version if they could find one and put it up there that would be good.

It refers to ensuring interrupted performance of IANA functions and PTI. Elise raised some questions about whether the inclusion of PTI would have an issue. Now I think I have another call coming in which is very annoying so I don't quite understand what's going on there. But I shall ignore it and keep on this call.

Mary, do you have an additional piece of…

Mary Uduma: Mary for the record. Thank you, Cheryl. I did make my point when the new version of the bylaw language was circulated around. And my concern was that whether the language – the bylaw language has the guarantee that IANA functions fund or funding from ICANN, would be the first chance. And what I mean by the first chance (unintelligible) that extent you have been given a power to. That was my question.

And I wanted us to look at the whole language, the new language as (unintelligible) ICANN is obligated to charge the fund PTI operation or IANA function operation before (unintelligible). Should that be a challenge that by

the time we complete our process of developing the – of how, as we talked about last call, how we are going to (unintelligible) should these be challenged, is the bylaw strong enough to cover the fact that ICANN would (like) to do that. So that was my concern.

And Chuck had sent me a response. But I think that by the time we are going to the process and maybe the contract would be able to touch on that aspect of my concern. So that's – let me stop there. If anybody wants to weigh in or chip in or answer for that on what I said, now is the time.

Cheryl Langdon-Orr: Thank you, Mary. Cheryl…

Mary Uduma: Do you hear me?

((Crosstalk))

Cheryl Langdon-Orr: Thank you, Mary. Cheryl. Yes we did, we heard you fine. Grace, I'll go to you because you've probably got a point of order issue with my poor chairmanship happening here today. I hadn't actually prepared to run this meeting, remember, however. Over to you Grace and then to Olivier.

Grace Abuhamad: Thank you, Cheryl. This is Grace Abuhamad for the record. So I have two small points. One is to Olivier's point. The – Chuck has mentioned that he believes that at some point the discussion about the one month versus the nine months, etcetera, was raised in DT-O discussions. As far as from a procedural perspective as far as we're concerned I think – I don't have any trace of that. I looked for that before the call. And as far as I'm concerned unless it's in the CWG proposal it's not official or unless it's been approved by the CWG in some way it's not official.

So I don't – in terms of that timeframe, Olivier, I don't think we have any official language to that regard. And then for the text proposed by Sharon, you read it correctly, the sort of the bylaw text. One thing that in the thread was raised as a concern was the idea of using IANA functions and PTI. And so Greg Shatan had suggested putting "as applicable" after the language on PTI.

So I believe I've retyped the text in the notes pod. But I believe after IANA functions and PTI you'd put "as applicable" in the middle of the paragraph and also at the and so that's twice in the paragraph to indicate the sort of as applicable to PTI.

Cheryl Langdon-Orr: Thank you very much, Grace. Cheryl for the record. I did have a sneaking suspicion what I was reading was not the lightest text so thanks. I do remember a general agreement with Greg's language. And I think even Sharon agreed that that would be a reasonable addition.

So with that, I'm assuming that DT-O can report back to the CWG that this is the current state of proposed language. And I guess we should take it in absentia of Chuck as an action item for staff to transmit that – our discussion and our agreement, assuming there is agreement at today's call, that that should go back to Lise and Jonathan. In Chuck's name, we'll take his name in vain, and just ask him via email before it is sent whether or not he has any issues or modifications with that.

Grace, your hand is still up. Is that an old hand or a new matter?

Grace Abuhamad: Yes, ma'am. Old hand. Sorry about that.

Cheryl Langdon-Orr: Not a problem. You hang around long enough you become an old hand. Xavier, I believe your hand was the next one up.

Xavier Calvez: I've taken it down because I think we've moved on to the bylaw drafting and I understand where we're at. And I don't see a specific issue with what's been suggested by Cheryl. The only question I had was whether I was the only one to find that the last three, which are in the future, are redundant or not, with the future expenses, that's a bit before that. And if it's not redundant then it's just me. If it's redundant then maybe we can ask clarification as to why that's adding or helpful.

Cheryl Langdon-Orr: Thank you, Xavier. Cheryl for the transcript record again. And I noticed Olivier's hand has gone down but I'm going to go to you, anyway, Olivier, just in case. How about what we do here is say in our note to Chuck, and then we assume to – back to our note back to Jonathan and Lise that we did ask the question that was just articulated by Xavier as to whether or not we could check is there redundancy in the repetition of the language.

I certainly have learned over the years to not stick my head in too many lion's mouths. And drafting of bylaws is way, way out of my skill set. So, Xavier, I don't know if you're brave enough to suggest to the legal people that we think it's redundant. I think checking whether they think it's redundant is a very, very good idea indeed.

Is there any more discussion or questions on the feedback on that bylaws language then? And is there matters with the action that I've proposed? If not, Xavier, if I could put you on the spot slightly, which of course I will, but Cheryl Langdon-Orr for the record just so you know who is putting Xavier on the spot, you heard Mary raise the question, and I think this is something that she is keen to make sure is heard and considered.

Mary raises the point of whether or not in the implementation, here we're going back to the stability and security of the ongoing provision of funds, whether or not there could be a first call on revenue system of some way set up. I'm, as you know, very much, you know, keen (unintelligible) with any of these financially things so I certainly couldn't answer that question.

But I wonder, Xavier, if we can put you on the spot and even if it just means it's something for you to think about, if you could perhaps have a moment or two to respond to Mary's suggestion that if things can't be, you know, in reserve, if there's problems with escrow, if – is there a way where a first call on ICANN revenue could somehow be set up in a predictable and secure a way to ensure the stability and security of the IANA services that we're all after. Over to you, Xavier.

Xavier Calvez: Thank you, Cheryl. Xavier Calvez for the record. Yes, I think it's an option or part of an option that can be formulated.

Cheryl Langdon-Orr: Excellent. Mary, I hope you're happy with hearing that. I know it's something that you thought deeply on. Cheryl for the record again. And I think if you have heard Xavier that we'll put it amongst the toolkit he'll be reviewing I think that will help a great deal of concern. And if it's a workable system then anything that's workable is fine by me.

Alan, over to you.

Alan Greenberg: Thank you. I just wanted to comment on that. Given that IANA would likely be subcontracting significant services, IT, for instance, to ICANN, it's probably not going to be trivial to actually say that IANA has to be first among other things because there's other parts of the organization which are going to have to be working if IANA is working.

But if we're talking about a directive to the board, that it has to give extreme priority to ensuring that IANA is funded, that I think is probably, you know, quite doable. I'm not sure it can be very much more specific than that.

Cheryl Langdon-Orr: Thanks.

((Crosstalk))

Cheryl Langdon-Orr: I'm pretty sure that, again, we're getting into the weeds of implementation…

Alan Greenberg: Yeah.

Cheryl Langdon-Orr: …and I'm happy to leave that to the experts. But I do know that Mary has certainly thought deeply on this. And there may be ways of making sure that there's a more equitable spread. But I think we all agree, at least while we're wearing the hats for this meeting that we're wearing, it is the IANA services performance that has to be paramount.

Now one would probably argue equally important are things like paying other stuff, policy staff, for example, probably think they should be (fairly) authority as well. Gee, maybe the chief financial officer might think his wage should be assured.

((Crosstalk))

Alan Greenberg: This is a US organization, we could furlough half the staff. No, all I was saying is that we've just set expectations that it's not going – it's not going to be trivial to make it absolutely hard but it's easy to give a directive.

Cheryl Langdon-Orr: Of course. Okay, thanks. Mary, do you want to come in here and make any comments or feedback before we move to the residual agenda items for the rest of this call? And I'll ask staff to put that agenda from the 5th back up on the screen while you're speaking. Mary, over to you.

Mary Uduma: Mary here for the record. Thank you, Cheryl. And I think I am happy with the responses from others so we can move on.

Cheryl Langdon-Orr: Excellent. Thank you very much. Now we've – during that conversation, which was partly action items from previous meetings and partly agenda item 5 at least, we have looked at the rationale and likely time course for developing the IANA services budget. In terms of next steps, what we'll note from today's meeting is the aspirational timing that Xavier has looked at. We will note the intention that this is material that should be in a – at least early draft and publishable for consideration form hopefully by Helsinki.

But, Xavier, with your permission can I ask that perhaps in the next two perhaps three meetings from DT-O we get some feedback from you and/or Elise as to how this is tracking? I'm sure that silence I can hear is Xavier agreeing with me. We'll just…

((Crosstalk))

Xavier Calvez: Cheryl?

Cheryl Langdon-Orr: Yes, go on, Xavier.

Xavier Calvez: Can you hear me?

Cheryl Langdon-Orr: We can now.

Xavier Calvez: Okay sorry. I said "sure" but I was (unintelligible) so sure, I will provide an
                    update with Elise on the timing and the progress.

Cheryl Langdon-Orr: Thank you, Xavier. Cheryl for the record. And that mute button is a tricky
                    thing. I frequently have problems with it myself. Okay so if we can now, and
                    again, Xavier, this is going to be ball in your court here, in terms of the
                    caretaker budget, Item 6 from last – our last meeting – annotates the following
                    matters. And I'm saying this because Mary is not in the Adobe Connect room
                    and she needs to hear what we're discussing.

                    Item 6 from our last meeting was developing a caretaker budget, A; update
                    from Xavier regarding his ideas, and I know he's already mentioned some of
                    that but he may wish to redo this again; and, B, question for discussion:
                    should vetoing the PTI budget trigger both the PTI caretaker budget and the
                    IANA caretaker budget? And then, C, next steps.

                    Now Item B, get your thinking hats on, because we will be moving to that
                    during today's call. Xavier, is there anything else you wanted to say to us
                    about the development of the caretaker budget and any ideas you may have on
                    this?

Xavier Calvez: Sure. Thank you, Cheryl. This is Xavier Calvez. Two points on that, Jordan,
                    as you may have seen, has sent me – sent but with – specifically to me –
                    another email. And I think it was the day before yesterday, to which I have not
                    yet responded. I will try to do that.

                    And I think it specifically points to the question as to whether the IANA veto
                    that triggers a caretaker budget for IANA should lead into triggering a

caretaker budget for ICANN as well, which was my suggestion for the reasons that now we've exchanged on the – quite a lot and I think we probably need to come to conclusion. So I will respond to Jordan and to everyone at the same time on his suggestion and approach.

And that will let me then turn around another version of the document relative to the caretaker budget both for ICANN and for IANA knowing that the approach that I'm – have taken so far on the topic is to have a very similar approach in defining, or methodology in defining the IANA caretaker budget similar to the ICANN caretaker budget. And simply drawing differences between the two where it is – I think it is useful for the IANA budget.

And that's what also has currently been taken into account in the bylaw drafting because that's required for the bylaws as well. So I will turn around another version in the next hopefully two to three business days of, one, having answered to Jordan; two, as a result of answering to Jordan, suggest another version of the caretaker budget approach for ICANN and PTI together, and the suggested definition of the PTI caretaker budget methodology. So that's what I'm expecting to do over the next few days on that.

Cheryl Langdon-Orr: Xavier, it's Cheryl Langdon-Orr for the record. And I now know why you well and truly deserve those few days you took off recently, because you're making some serious commitments to us and we really do appreciate what I can understand, and I'm sure everyone else does, is a considerable amount of work you're offering to undertake. Necessary work most assuredly but, you know, it is a very tight time that we're all under and we're very pleased to see staff and your team working as hard as they are with us on that.

Chuck, leader, over to you. You've got the rest of the meeting. We've got to open up the floor now for any discussion on what Xavier has just said…

Chuck Gomes: Yes, please go ahead with that, Cheryl.

((Crosstalk))

Cheryl Langdon-Orr: No, no, no, no, you're here now and you know I like it when you follow me.

Chuck Gomes: That's true. My apologies, everybody. I have too many things on my plate. I think I need the vacation like Xavier did. So anyway, my apologies. But thanks for going ahead and let's go ahead and have any discussion that there is about what was just shared. I don't see any hands. But, and Xavier, thanks for your contributions there as well as special thanks to Cheryl for picking up the ball that I dropped so.

So I see as an action item there, while people are thinking, staff to transmit agreed bylaw text to – for approval. Is there any reason why we can't approve the DT-O text today with follow up with an email for anybody that's not on the call? Grace, go ahead.

Grace Abuhamad: Hi, Chuck. I think based on the conversation we had on the call I think we – the original action item was to send the text to you for just a final check before it went to Lise and Jonathan and then Olivier had suggested possibly sending it to the broader DT-O list to make sure there weren't any objections. So I think the group on the call today, you know, has approved the text in that sense, it's just a procedure.

((Crosstalk))

Grace Abuhamad: We can get it on a very short turnaround probably.

Chuck Gomes: Thanks, Grace. So did that include the as applicable as added by Greg and the in the future added by Sharon?

Grace Abuhamad: Yes. And I just copied and made sure that the text matched what you sent around with your latest agenda as well.

Chuck Gomes: Okay thanks. My late agenda. Okay.

Cheryl Langdon-Orr: Cheryl here…

((Crosstalk))

Chuck Gomes: …it took me a long time to get that together. I was checking my availability for future meetings and stuff while you guys were working. So okay so in other words, there's agreement on the call to the text.

Cheryl Langdon-Orr: Yes.

Chuck Gomes: Good, okay now we probably have some missing people so we probably ought to send it to DT-O right after this call for any final edits today. And then go ahead and send it to – send it to Lise and Jonathan, is that correct?

Cheryl Langdon-Orr: Yes.

Grace Abuhamad: Yeah.

Chuck Gomes: Thanks. Okay good. Good. I thought that would be good. And thanks for the participation on the list. Great discussion with Mary and then good responses from Sharon and from Greg. So we all of course will have some additional – I mean, additional opportunities in the public comment on the bylaws to comment further. But I appreciate the work that went on on that. So, Cheryl, go ahead.

Cheryl Langdon-Orr: Thanks, Chuck. Yes, Cheryl for the record again. Just one thing, Xavier did ask and we thought it would be worthwhile passing on so that Lise and Greg – Lise and Jonathan could just have the legal team double check, is it a redundancy to have the repetition of "as applicable" or not. But we all recognize that, you know, we are not bylaw drafting experts but there was the question of just double check for any redundancies before it goes to the CWG.

Chuck Gomes: And so that would be – this is Chuck – so that would be Lise and Jonathan checking for any redundancy. Is that what you're saying?

Cheryl Langdon-Orr: I would suggest it should be Lise and Jonathan to ask legal to check.

Chuck Gomes: Oh okay. Okay.

((Crosstalk))

Chuck Gomes: Well as it turns out, legal has been involved because they gave Sharon the authorization to go ahead. You'll notice Sharon – at least Sharon was involved in the latest discussions and the language we have right now. She approved – she thought Greg's edit was fine. She's the one that suggested in the future. So I think what we have right now has legal's blessing but it is of course no problem in confirming that.

Cheryl Langdon-Orr: Thanks, Chuck. Cheryl again. A double check will do us no harm. And we have sufficient people who can hang up a lawyer shingle in the CWG that if we do have a overlooked redundancy it would be smart to catch it before we go to the (team) as a whole.

Chuck Gomes: Yeah, agree. Thanks. Okay so let's – Grace, can you go ahead and send out the latest language to the DT-O list? And at the same time send it to Lise and Jonathan and ask them if – to do whatever they need to do before sending it to the full CWG. Does that make sense?

Grace Abuhamad: Yes, that makes sense.

Chuck Gomes: Okay good. Thanks. All right. So let's see where we're at. We've taken care of what I had as Agenda Item 3, the multiyear funding and the bylaws. Now did you discuss the suggestion by Sharon that we deal with the multiyear funding more in the contract, was that discussed at all?

Cheryl Langdon-Orr: No.

Chuck Gomes: Okay so – this is Chuck again. And let's just – I don't think we need to talk about it unless there's any disagreement with that. I thought the suggestion was very good that in the development of the contract between ICANN and PTI that that should be covered even more explicitly. And I think that deals with one of the concerns that Paul had in terms of the multiyear issue. Hopefully we dealt with that in the bylaws language by adding in the future there.

So I don't think there's anything that we need to do in that regard. It's not our task to develop the contract, except we should obviously track that and make sure that that gets inserted in the contract. Olivier, your turn.

Olivier Crépin-LeBlond: Thanks very much, Chuck. Olivier Crépin-LeBlond speaking. And I'm – I'm not confused – I just would like some clarification here. Maybe I am confused, who knows, I'm always – anyway. This – you know, we're speaking about multiyear budgeting, multiyear funding and yet having attended several meetings with Xavier on the overall budget process, ICANN doesn't do multiyear budgets. And I'm not quite sure whether we mean that or not and whether that's actually even something that can be considered.

I thought that it wasn't – that it couldn't be considered. And so I want clarification from Xavier what he understands by this request and whether this can even be considered per se. thank you.

Chuck Gomes: Thanks, Olivier. And I'll jump in before Xavier because I don't think that we're suggesting multiyear budgeting so it's a good question that you ask. All we're saying in the bylaws language is is that that future expenses need to, you know, for PTI or for whoever is performing the IANA functions, need to be covered so that there's no interruption in service. But I don't think anywhere have we said that there needs to be multiyear budgeting. Now if I'm wrong on that somebody correct me on that. And let me let Xavier jump in.

Xavier Calvez: Thank you, Chuck. This is Xavier Calvez. To respond to Olivier, we've said I think a couple calls ago the similar discussion to address Alan's question or point about ICANN has asked that they don't want to do a multiyear budgeting so I was – I had clarified then the fact that there may be a vocabulary question which is, one, currently under the governance of ICANN the board approves a budget for a year. So if – that's what we call budgeting, then, yes, we do not have multiyear budgeting at ICANN. And I don't know any organization that does.

Which does mean that we couldn't look at a planning exercise that encompasses several years and honestly I think we should. So we have right now a five-year strategic plan that's supported by a five-year operating plan. And as part of that exercise we could, and I think should, consider financial projections on a multiyear basis that may be able to be developed at a level of granularity that allow to – that allows to spell out activities or actions or projects on a multiyear basis with financial projections associated to those.

The next question to that is how does that translate into a commitment? And I think the difference between a budget currently, which is annual, and multiyear projections, as I just described, is that one is approved by the board and creates a commitment of resources. The other one is simply projections and can be changed at any time. So I think that today we don't do multiyear budgeting from the perspective that we don't have the board approving a budget that covers more than a year.

By the way, one of the reasons for that is that it's difficult to have sufficient assurance for the board of revenue streams ahead beyond a year to be able to commit resources beyond a year as well. My point being that you can commit to spending money if you have sufficient visibility and comfort on your sources of funding. So that's part of the elements about not also approving budgets on a multiyear basis.

So maybe a long-winded answer to Olivier's question, I think – I thought that here we were talking about the multiyear funding of – let me rephrase, the funding of a – of several amount of annual expenses for the PTI or for the IANA functions. To be more specific, do we want to put aside the two or three or four or five years worth of annual expenses of the IANA functions for the purpose of financial stability? I thought that was the purpose rather than multiyear budgeting or anything like that. I'll stop here.

Chuck Gomes: Thanks, Xavier. This is Chuck. Before I go to Alan, Olivier, do you have any follow up questions or comments?

Olivier Crépin-LeBlond: Thanks for this, Chuck. It's Olivier speaking. And, no, that's fine. It's exactly what I was honing in on. You know, the fact that Sharon had said, we still think the multiyear funding concept should be articulated somewhere, and Xavier has been very, very clear, that doesn't translate into a multiyear budget. That seems to – that would translate in a contract, I believe, if that's the way that we decide to move forward, into something else but not a multiyear budget. Thanks.

Chuck Gomes: Thanks Olivier. Alan, thanks for being patient.

Alan Greenberg: Thank you very much. We really don't want to get bogged down on the budget – on the – sorry – on the nomenclature. Setting aside money, as Xavier referenced at the very end, is certainly the safest and best way of doing what we're looking for. But there are other things we do.

Xavier is correct, we – the board cannot commit the full amount of ICANN's projected revenue five years out because we don't know what it is. We choose to do budgeting on a year basis. We could do it on a month basis, we could do it on a decade basis, there's higher and lower levels of certainty depending on what time we pick. We pick a year right now, that's fine.

We do make commitments past a year. We sign leases for buildings.

Xavier Calvez: Exactly.

Alan Greenberg: …which says whether – unless we are either voluntarily or involuntarily put into bankruptcy, we have commitments. We did the new gTLD process…

((Crosstalk))

Alan Greenberg: …where we accepted money from people on the belief that we would be spending it for certain things but we would still be around. We have all sorts of commitments. We're looking for a similar level of commitment. We cannot expect ICANN to commit the full amount of its budget five years ahead of time but the IANA budget we're talking at is far less than that. So there's lots of flexibility, and let's not get hung up on the term we don't – that we do annual budgets. Thank you.

Chuck Gomes: Thanks, Alan. This is Chuck. Anything else on the bylaws language and the fact that we're going to have to contribute to the development of a contract between ICANN and PTI and ensure that the multiyear concept of funding is included there.

Okay, and with regard to the ideas for possible multiyear funding, we're going to get to those, okay? I think we have several on the table, there's the idea that I threw out on the reserve fund; there is the idea of a trust or of an escrow account. We don't need to debate those right now.

But it seems to me, and Xavier and I had a nice conversation yesterday on the phone, that it might be very helpful if staff can do it, and I'll have to let staff and maybe Xavier can be the lead on that in terms of finding out for us, if they're willing to take the lead and gather the right expertise to come back with some – a proposal or alternative proposals in that regard in the next few weeks, is that something that anybody in our design team would object to?

Understanding that it's going to come back to us to review and critique and tweak whatever that may be.

So let me let Xavier jump in here. We're not hearing you, Xavier, so I don't know if you're on mute or what's happening.

((Crosstalk))

Chuck Gomes: Still not hearing anything. Thanks, Cheryl, for the response.

Xavier Calvez: Hello, Chuck, can you hear me?

Chuck Gomes: There you are. I can hear you. Good.

Xavier Calvez: okay, thank you. Sorry, I don't know what happened. I was actually unmuted. For the purpose of helping the other members of the group, to answer your question, I thought it would be useful to clarify a little bit what we're suggesting to do. So I thought that – we've had a number of conversations already on what are the options, does that work, does that not work and so on. And we're all not necessarily experts.

And we can continue like that a lot and never achieve the objective of defining an option. So I thought I would offer a process whereas we, staff, would put together a set of options, obviously inclusive in that list, those options that have been mentioned during the conversations of this group in the past weeks so that we then evaluate each of these options.

For each we would qualify what they are, how do they achieve the objective, whether they're feasible, a legal analysis, which may sound like an extensive amount of work, but at least from a legal standpoint how does that work, pros

and cons of each option and so that would be a list of options offered. And then I would also want to make sure that we provide also a visible list of the options to be excluded because they wouldn't work, and with that rationale we would have to suggest that they should be excluded.

And that we bring this back to the group in a document circulated by email, leave a little bit of time to – for the group to read it, or go through it, and then be able to discuss those options what seems to be the preferred ones would challenge this analysis and come to a decision as to which option we recommend – we being the DT-O – recommends or which options, plural, do we recommend with maybe a preferred one and a backup one.

So that's the approach that I would want to suggest to the group rather than risking that we all waste our time by talking a lot and never come to conclusion. So I'll stop there and let anyone comment on that.

Chuck Gomes: Thank you very much, Xavier. That's great. And I see a checkmark from Cheryl. Is there anyone that would object to that approach? Okay, I will take that as a confirm. I was pretty confident that all of us would support that because we could spin our wheels, like Xavier said, for weeks going back and forth on different options and none of us have enough expertise. We're going to have to reach out anyway to other expertise.

So, Xavier, one more question for you, and I don't know if I said, this is Chuck speaking. But is this something that's doable in the next few weeks with staff or have you had time to check that out yet? And I will understand if you haven't. go ahead.

Xavier Calvez: Thank you, Chuck. Can you hear me?

Chuck Gomes: Yes.

Xavier Calvez: This is Xavier Calvez. Yes, we have had a bit of time to talk about it preliminarily with Trang. And our intent would be to produce a first draft of this in the next two to three weeks knowing that within that two to three weeks timeframe they would be, one, laying out what those options are; two, trying to have some amount of legal analysis associated to each of them so that we have that element because this is otherwise a useless discussion if we don't have either the validation or the limitations from a legal standpoint.

So that's the intent knowing that after that two to three week timeframe we would – immediately after the first draft is produced we would meet with the DT-O members to look at them, analyze, iterate and decide fairly quickly, I would hope within a one week timeframe so that then the conclusions there can be finalized and then submitted for – to the CWG for then public comments and so on as appropriate. So that's the first idea of timeframe that we had discussed today with Trang. She's here with me in my office.

Chuck Gomes: Thank you very much, Xavier. That sounds great to me. And I think it'll get us moving in a much – a much more productive manner. So once again I appreciate and thank staff for their willingness to take this load on and support us in that way. That is sincerely appreciated.

Okay so we have a way forward on that. And so that's excellent. Now, Xavier, I guess I have another question for you. I'm glad your hand is still up. I'll call on you in a minute. The – now is – the project you're talking about working on in the next two to three weeks, is separate from anything to do with the caretaker budget, is that correct, or would that include the caretaker budget as well? I'm assuming not but I just asking you for clarification.

Xavier Calvez: Hello, this is Xavier Calvez. It's separate and additional.

Chuck Gomes: Yeah, okay, that's what I understood, I just wanted to make sure. That's – and that's fine. So I have no problem with that. If anybody else does they can speak up. But I think they are separate projects. So I'm looking at Olivier's comment there. We could put some funds in Panama for PTI to do its work. Oh, is this offshore type account you're talking about, Olivier? Okay.

All right very good. So the – I'm just – since there's a lot in the notes on the meeting times I want to come back to the comments on the operating plan and budget. But let's go ahead and talk about meeting times since there's been some discussion on that in the chat and also in the notes.

And the one question I have about Wednesday the 13th is I believe at 1900 there's a implementation oversight taskforce meeting at 1900, is there not? On the 13th?

((Crosstalk))

Grace Abuhamad: Yes, you're correct Chuck. That's our mistake. Sorry about that.

Chuck Gomes: So now what about – we might be able to do 2000. I don't know how that works for everybody. And then the Thursday option at 2000 – it only says GNSO Council call starts at 21. So I think 2000 – let's look at my notes. That's what I was working on while you guys were working without me.

((Crosstalk))

Chuck Gomes: …on Thursday. I was trying to figure out so…

Cheryl Langdon-Orr: We could do…

((Crosstalk))

Chuck Gomes: I think that works – I think the 2000 on Wednesday or Thursday works for me, although you guys did just fine without me so that may be okay so. So any comments? Do both Wednesday at 2000 and/or Thursday at 2000 work? Now Thursday would have to be an hour meeting. I think the Wednesday meeting could be an hour and a half. So is there any objection to the Wednesday meeting?

Grace Abuhamad: Xavier has his hand up.

Chuck Gomes: Go ahead, Xavier.

Xavier Calvez: Thank you, Chuck. This is Xavier Calvez. I have the question to understand do we have agenda items already for a meeting next week or not? And the reason I'm asking is I know that the topics that at least I have in my – on my side to work on I don't as of now know whether I'll have anything to say on Wednesday, for example on those topics depending upon the progress for those. And, one.

And second, even if I would have some dates, I don't know that it necessarily warrants bothering the members with a call. Maybe it can be done by email. So I just wanted to offer that. Of course there may be other topics that the group wants to speak about, I just wanted to point out, sorry, on those items that I'm in charge of relative to the agenda.

Chuck Gomes: Thanks, Xavier. This is Chuck. And point well taken. I think there are a couple possibilities and one of them depends on you and Elise probably. We

obviously need to start working on a process for developing an approval of the PTI budget each year. But, again, that's something that we're – I think you and Elise are going to come back with some thoughts first. If you need any of our involvement in that, you'll have to let us know. Again, that's separate from the tasks that you're working on that – targeting three weeks or so out.

But one other one that is something we're going to have to deal with is possible comments from the CWG on the draft ICANN fiscal year '17 operating plan and budget. And that's an agenda item we haven't covered yet today that we'll just briefly talk about next. So I guess it depends on that.

Now if nobody thinks we should submit comments on that, and we're in agreement on that, we might not need a meeting, assuming that you and Elise don't have anything yet on the item with regard to the annual development and approval process for a PTI budget. So maybe what we ought to do, before we decide on a meeting, is let's talk about the possibility of comments.

We need some responses, Xavier, from you or one of your finance team members regarding the clarification questions that were in the document that I sent around. I think those – I suspect those are short answer – quick answer type things based on my knowledge of you and your team, you'll know the answers to the questions I think that were raised there very quickly.

So is it possible to get those answers by tomorrow or certainly before a meeting next week on Wednesday if we had a meeting on Wednesday. Xavier, go ahead.

Xavier Calvez: Thank you, Chuck. This is Xavier Calvez. Before I answer specifically that question, just want to give some context to everyone that we do receive questions from various sources on the budget. And those question are

presented as clarifications and – or request for clarifications. And when we look at those requests for clarifications they actually are much more substantive than simply clarifications. And they actually constitute themselves how they comment.

So we're trying to sort out the various inputs that we've received to ensure that we suggest that some of the requests are effectively clarifications that we can provide a quick answer to then allowing the party to be able to comment as deemed appropriate.

Or they are, in themselves, public comments and even though they maybe questions they are actually adding value to the budget and would add value, as well as part of a public comment, and the answer that we could provide to those questions would also add value to the process and to the public in addition to the person who asked the question.

So we are in the process of sorting that out and establishing a bit of an approach to respond by email. And I wanted to let you guys know that. Putting that aside now, we will try to make sure that by the end of tomorrow we do respond to the question that you asked, Chuck, with the document that you provided. And for each of the items that we specify whether we think it is, yes, a request for clarification provide the answer and close that matter and then you can formulate a comment.

Or that we suggest that these may actually be public comments, maybe worthwhile submitting as part of the public comments, because then we would – then they would be visible to everyone. And, two, we would respond to those with a visibility to everyone as well.

So we'll do that by the end of tomorrow, Chuck. And I think that will let then you be able to determine whether or not we need a call next week, if that would be the only agenda item.

Chuck Gomes: Thank you, Xavier. This is Chuck again. That's helpful. And thank you for clarification of the part I missed in the chat there regarding the budget process for PTI, that's great. And that's fine. So here's my suggestion, I think having a meeting next week would be helpful to just talk about possible comments either from – however we couch those Olivier has pointed out in the past a couple times that, you know, the CWG really isn't authorized to submit comments.

But I could submit some as lead of the DT-O and say that it came from the DT-O or something like that. We can worry about the logistics of that later. But I do think it would be useful to have a call next week to just focus on the comments, including the responses that we're going to get back from Xavier and his team by tomorrow, or certainly before next week.

And we can just walk through the comments that I put in there, the things I highlighted, look at the portions of the budget that relate to the CWG proposal and then hopefully at least come to a reasonable conclusion in our call next week whether we think it's useful or not to – for – to have some comments submitted from us as individuals or me as the lad of DT-O or however we decide to do that. Is there any objection to that? Or any disagreement with that?

Okay so then we just need to decide, because we have an hour and a half, I don't know that we'll need an hour and a half but we might, to go through just the possible comments. So my suggestion is that we go with the Wednesday at

2000 UTC for next week, let's see, 2000 so that's 6, 4, yeah that should be fine for me. And schedule a meeting for then if there are no objections to that.

Okay and we'll just have one meeting next week. And it could be, depending on what happens with the comments, that we don't need a meeting the next week but we can deal with that next week. Xavier, go ahead.

Xavier Calvez: Thank you, Chuck. I just want to make sure everyone has seen the comment that I put in the chat relative to that agenda item next week.

Chuck Gomes: Yeah, I was kind of thinking the same thing a little earlier on that. And I think that's fine that you not attend the one when we're talking about the budget comments. Besides, it'll be easier to talk about you and your team with you not there so, just kidding.

Xavier Calvez: That's really what I had in mind at the end of…

((Crosstalk))

Chuck Gomes: Okay. Good. All right so we have – I assume that's an old hand, Xavier, but if you want to say something else you're welcome to, just jump right in. So I think that we've covered what we need to cover today. Thanks again, Cheryl, for covering a lot of it before I got on. Much appreciated and appreciation to all of you for the good work. I think we're making some progress. So unless there is anything else that I have left out I will adjourn the meeting. Everybody have a good rest of the week.

Cheryl Langdon-Orr: It's already my Friday, Chuck. Come on.

Chuck Gomes: Have a good weekend, Cheryl.

Cheryl Langdon-Orr: Thank you, Chuck.

((Crosstalk))

Cheryl Langdon-Orr: Take care, everybody. Bye for now.

Chuck Gomes: Bye.

Olivier Crépin-LeBlond: Thanks, Chuck. Thanks, everyone. Bye-bye.

                    END