

ICANN

**Coordinator: Brenda Brewer
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11:59 am CT**

Operator: The recordings are started.

Grace Abuhamad: Thank you. Everyone, this is the 81st meeting of the CWG. It's 15:07 UTC, we're starting a bit late. We had some audio issues. Chuck Gomes is on audio only. Jonathan just joined but Lise will be kicking off the call until his audio is set up. Oh, he may be ready to go.

Jonathan Robinson: Yes, hi Grace, can you confirm you can hear me? I think it's all okay now.

Grace Abuhamad: Yes, crystal clear.

Jonathan Robinson: Okay, great. Thank you very much. So welcome everyone. Lise and I both have been through the agenda previously and we posted that to you. Lise will be on with us for the first hour and well pick up on one or two items as we go through. For the most part I'll lead this.

Primary purpose today is to just go through some of the key points we've been working on lately via implementation oversight (unintelligible). So what we have been doing there, as you know, is we took the former design team heads,

or leads, and worked closely with staff and are continuing to do so and many of you, in fact, who have been on that IOT are here now and the purpose of that was to have rapid iterative communication with the ICANN staff.

Bearing in mind that ICANN staff are leading the implementation - I've got an open mic somewhere so if whoever's got an open mic if you just make sure your mics are on mute.

And so our primary job as both (unintelligible) and the IOTF representing the CWG from the short term, but bringing things back to the CWG to ensure the implementation is done consistent with our proposal and, really that means probably to the letter (unintelligible). We still have some background noise from an open mic (unintelligible).

Okay, so the purpose of today's meeting is to run through some of the key points that we've working on and we'll try to make it interactive but by definition of that fact that the IOTF has done some work with the implementation team, we have essentially done the preliminary work so it will be a little bit more report oriented but please do interact with us on any key point and we'll try and flag some of those, as well, where we think there's useful discussion to be had.

So the first item under our first sub bullet under Item 2 is to look at the PTI (unintelligible) and this is important from the articles of incorporation there which is what AOI stands for.

And then what we did was, you'll remember that the staff helped us, Grace, in fact, helped us by pulling all - simply to review of the bylaws and we took these comments or questions and incorporated that into a table, dropped in some answers, and the way we did that was Lise and I went off and first of all

dropped our initial answer based on our understanding of what the CWG had intended or what was in our view best practice.

We've run that past the IOTF and had some pretty self-explanatory with two separate IOTF meetings and we now bring these to the CWG so they should be pretty well formed and so I will want to talk through them, read this off, but by the same token if anyone has a concern about the way they have settled, or if you simply want to clarify why or how they've been set up as they are, please do go ahead and ask.

So, the first one deals with the first point on the table you see in front of you, Section 5.526, the question here related to the qualifications of the directive of the PTI board. And just as a helpful point, it may help you to have the CWG - well I'm just pulling it up myself, in fact, the redline comments on the CWG, because that's where these comments all derive (unintelligible) from that are essentially summarized in the table.

But in this section, which is 5.2.3, is essentially qualifications of the directive. There's a bunch of qualifications made out and Sydney's point was not all of these qualifications come out of the, "are you happy with these qualifications," and, in general, we were and found that there were no additional qualifications required, however, we did suggest additional language needs to be inserted to include appropriate diversity considerations.

And, moreover, that these are probably, or possibly, applied separately to the ICANN and NomCom appointee. What we mean by that is what we didn't want - because just to remind you, the way the board constituted is, ICANN will appoint or (unintelligible) five CTI board members. And, in fact, they can appoint up to five board members. We anticipate they will appoint five board members.

So if board members are nominated to ICANN by ICANN itself in the case of three, and in the case of the community nominated members that will come through the nominating committee and in the first instance will be the coaches, Lise and myself coming from our community.

So ICANN goes and appoints these to the board and the risk was that ICANN appoints, for example, that if we have a uniform diversity criteria. ICANN appoints three North Americans, three women, three men, or whatever the case is and that limits the community's ability to make our nominations and appointees.

So we suggested that the diversity criteria be applied separately to appointees from nominated by ICANN and nominated by the NomCom. And that's what that third point is there. So I guess it's a little bit soft in the sense that it possibly applies separately to ICANN and NomCom appointees.

I think my view is that it should be applied separately as (unintelligible) should be applied separately to ICANN and NomCom appointees. Please give feedback if you think otherwise.

So we said we want diversity and I'm actually suggesting we're firmer with the language that it is applied separately. We could say "preferably" if we didn't want to be absolutely firm. Maybe that's the right way to put "preferably applied separately" to the ICANN and NomCom appointee.

And just to note that (Sharon Flannigan) from Sydney is joining so if you have, sort of, legally related questions as to why these points were in there, and Sharon did go through these with us originally, she'll be available to answer them.

All right, so I'm going to proposed that that preferably applied separately to ICANN and NomCom appointees. Please do come back if you - raise your hand if you want things to be applied, if there's something different.

Then the section of the document, Section 5.33, goes into further qualifications and we deemed that those were acceptable and that no additional qualifications were required. And, moreover, from our review they didn't seem to preclude the proposed interim director because one of the concerns would be is you've sent all these criteria out and we've said we are going to have these interim directors and then suddenly we've disqualified them.

It appears that they do not disqualify the interim directors and providing they do not, we don't need an exception or a carve-out for the interim directors to appear to qualify in any event both based on the qualifications and additional qualifications on Page 4 and 5 of the document.

Next section, I'll need to go through a little more carefully because this is 5.4, the election of a chairperson and it actually deals in more detail with the board and how the board - and it'll be sort of corporate governance issues for the PTI board.

Here we put these set of bullet points down. We said that a chairperson is required. We would like to have a chair on the board. We would like that chair to be elected by the board and we would like to ensure that that chair on the board is not the PTI manager. In other words, if there is a separation between the chair and what, in normal terms, might be the chief executive or the operational manager of the entity.

We didn't go so far as to say that the chairperson must be a NomCom appointed director. We were concerned that if we did that we perhaps precluded a good chair that existed amongst the executives so we said there is a preference that the chairperson be a NomCom appointed director if possible.

We then went on to say that the president may be the PTI manager. We didn't link that firmly and say that the president must be the PTI manager because (unintelligible) the corporation should have a president, a treasurer, and a secretary. It seems logical that the president would be the PTI manager but if, for any reason, there's a reason not to, we haven't said that the president must be the PTI manager.

And here I suppose I would have a point for Sharon if you think we should be in any way cautious about this position because our original draft said that the president must be the PTI manager and we've softened that in discussion of the IOTF but if your counsel is that that may cause us problems or is some way problematic, please do let us know and that would be the case in general, I think Sharon. Over to you, Sharon, come in on this point please.

Sharon Flanagan: It would be helpful just to understand when we say PTI manager, what that means. If that is, in effect, the top level person, the president, the CEO, the chief, however you want to describe it, we think that the intention is that that person be the president. So is the PTI manager, in effect, the most senior member of the management team?

Jonathan Robinson: The answer is yes.

Sharon Flanagan: Okay, then in that case I would recommend that we be clear that the PTI manager is the president. I don't think you want another person to be named

who doesn't maybe even have a managerial role taking a spot that actually has quite a bit of authority.

Jonathan Robinson: Yes personally I don't disagree with you and so I would encourage anyone who does have a concern with that to let it be known. Alan go ahead.

Alan Greenberg: Thank you. I was going to say exactly what Sharon said. I took those two terms as synonymous. You know, PTI manager is the most senior person that's normally called the president, so I presume that they were the same and I think we should remove any ambiguity. In terms of the preference that the chairperson be a NomCom appointee, at any given time the board will elect the chair. They're going to use whatever their best judgment is at the time so I see no merit in putting a preference into any formal document such as the bylaws. Thank you.

Jonathan Robinson: Okay, thanks for the first point. Let me give you a bit of help on the rationale, I mean, for the other one. In my view and in fact it came up in the discussion within the IOTF that a separation between the chair and the staff to create the degree of independence is best practice from a corporate governance point of view. So it's a desirable point. And, in fact, the original draft said the chairperson must be a NomCom - it's not technically correct so if whoever's taking the notes, it's not technically correct that a NomCom appointed director, a NomCom nominated directive, correct terminology I think because ICANN will appoint so that NomCom doesn't appoint.

So that's the origin of that, Alan and others if you want to understand where that came from. Kavouss? Kavouss's coming on board here, we don't hear you yet.

Kavouss Arasteh: ...wisely used and a better case than manager in the definition which is perfectly whether it should be ICANN election or NomCom appointment, I first seek a little bit of clarification if you can (unintelligible) appointed and election. Election I think the ICANN also appoints someone but not elect, do they elect someone or they appoint someone?

The election would be among the board members how to nominate someone but the end result would be a nomination or appointed so, first of all, could you clarify whether we have a (unintelligible). If I can have no difficulty, my (unintelligible) also would be that this is been nominated by the NomCom committee rather than by ICANN. Thank you.

Jonathan Robinson: Okay, Kavouss, just to clarify the three different terms. I don't think we are - well, the only place in which we are using election is in the selection of the chair by the board. That's the only place where there's an election. When the board selects - and maybe we should say selected rather than elected but I don't mind. Either way, the board selects their chair.

Now, separate to that by the matter as a technical point this is - PTI is an ICANN affiliate. ICANN appoints the directors of its affiliate. However, we have agreed as part of this process that two of those directors will be derived from within the community via the NomCom. So the NomCom puts forward those two directives which technically ICANN could choose, I guess, not to appoint to the board, but that would cause all sorts of other issues.

So we would expect that as a matter of general course ICANN would simply appoint those directors unless there was a serious concern, and then the other three of the so called ICANN directives or those derived from within ICANN and ICANN appoints those through.

So I hope that helps clarify Kavouss. Lise go ahead.

Lise Fuhr: Thank you Jonathan. Actually in the proposal we suggested that ICANN would, in order to keep this vote small and lean, in a way, we suggested that it would be the PTI manager and maybe two other senior staff from ICANN that would sit on the board.

And for that reason I think it's important that we have a preference for a NomCom appointed director as a chairperson instead of ICANN staff. And I think that makes a difference because this is a very small board of five members so we can express a preference and, if it's not followed, it's not followed, but that is strong signal. Thank you.

Jonathan Robinson: Not only do we provide guidance but we don't make it mandatory. I noticed for the person and then Kavouss is a supporter of that, I asked for the person taking notes that Paul Kane, (Cheryl), and Olivier are suggesting we use the term "selected by the board" rather "elected by the board" which affects the chair and I don't have a problem with that.

And here's an interesting one, actually, because really we then get to the point - so the group says it's a preference is that the chairperson is a NomCom appointed director. However, if the president is a director, which in fact we've said the president, based on the advice we took (unintelligible) we said a president must be the PTI manager.

But there's another change there, the president must be the PTI manager and then we go on to say if the president is a director then the chairperson should be the NomCom appointed director. And we even reiterate that by saying that the president could not hold both positions present (unintelligible).

So in effect what is likely to happen here is that I would expect that ICANN is very likely to put the president on the board as one of the five board seats. And, therefore, that the chair is almost certainly likely an independent director, a director derived from the NomCom process.

So Sharon, Sharon's concerned that actually the president will be the director so in effect, then, what's happened here, if we stick with the current draft, the president will be the director and therefore that the chair will be one of the NomCom appointed directors, which I don't have a concern with because I think it's a good separation to have a distance between a staff member.

Exactly, and then (Matthew) says, "Well they could simply make it exist." Well we do, we do clumsily (Matthew) shares in that you say, "We should make the explicit the chair as NomCom appointed." Well in effect we do.

Grace go ahead.

Grace Abuhamad: So Jonathan if that's the case then if the sentence then becomes "President is the PTI manager," then the next sentence that we added yesterday in the IOTF call about the president being - if the president is a director, dah-dah-dah, and then the avoidance of doubt sentence, those two sentences would be deleted, is that correct? Since they would be repeating the prior sentence about the chairperson being a NomCom nominated director?

Jonathan Robinson: First, Sharon, I guess they did become redundant so I'll defer to Sharon. Perhaps we could almost reverse the original language if it - go ahead Sharon.

Sharon Flanagan: I think the language comes out but then the preference stated above, I think, is now not just a preference, it's a should, right? Because the preference was only in the event that the president was not a director. But we said if the

president is a director, the chair should be a NomCom nominated director, right?

Jonathan Robinson: Right, so in effect that, as it stands out, was how we had drafted things originally so a chairperson is required, the chairperson must be elected by the board, the chairperson must not be the PTI manager, the chairperson must, or should be, a NomCom appointed director, the president is the PTI manager, and then the last three sentences fall away.

Is that clear enough for you Sharon? Okay, good, okay. Please do come back anyone if you've got concerns about that but as it seems like it's the fold out rather naturally and, for what it's worth, in my opinion, it is good corporate governance even though this is a relatively small entity and seems to represent the reasonable balance.

Right, we then go on to Section 5.5 and here we talk about terms and I guess it's useful to know that we did talk about one, two, or three year terms and we talked about the number of repeat terms. Having discussed all these various possibilities, we settled on the fact that a year was too short, three years was too long and, therefore, a two year term made sense.

We wanted to ensure that the NomCom appointed directors were elected on alternating years so that they didn't change at the same time each time. And therefore, just to note, that what that means is that one of the interim directors may need to serve for more than one year in order to accommodate this.

Having said that, we realized well, there's no reason why, if they fit the bill, if they meet the criterion and the mechanisms are fulfilled which is the NomCom, I guess, supporting that, there is no reason why both interim

directors couldn't serve for more than an interim period, providing that appropriate processes were followed.

So there's first appointed, elected for two years; secondly, elected on alternative years; third, that that means that one or both may need to serve for more than one year in order to accommodate this. And finally that the NomCom appointed director should not sit on more than two consecutive terms for four years in total. Sharon.

Sharon Flanagan: Thanks Jonathan. I wanted to come back to something you must have covered before I was able to join. So I can wait if there are other people with comments on the issue you keyed up. Mine was about the qualifications for the interim directors.

Jonathan Robinson: Okay, well look, in the absence of any other hands, why don't we go back to that. Let's just pause for one moment and see if anyone's got any comments on those terms of election of successors. It does not look like it so let's go back to that point, qualifications, Sharon.

Sharon Flanagan: Okay, so on the topic of the interim directors, so the language of the bylaw says that no person who serves in any capacity, including as a liaison on any supporting organization's council or advisory committee, can serve as a director of PTI, and no person who serves on the nominating committee can serve as a director of PTI.

We had thought that the two proposed interim directors would fall within that category and therefore technically not be permitted. Is that not the case, Jonathan?

Jonathan Robinson: Sharon, does it say that they must never have served or must not currently be serving?

Sharon Flanagan: It speaks of the current date so no person who serves in the current, you know, present tense.

Jonathan Robinson: To the best of my knowledge Lise and I are locked in contraventional. That neither of us sits on a council currently and neither of us has recently, if ever, served on the NomCom.

Sharon Flanagan: Okay. Good, we just wanted to clarify. Thank you.

Jonathan Robinson: Okay. Thank you. And Lise confirms that point in the chat. So then we go on to the 553 which is independent for the purposes of nominating committee appointments and here we have the provision that the NomCom appointed director should not have been an ICANN employee for three years and we accepted that suggestion and, in addition, we widened it to say that this should include someone who has acted in a professional capacity.

That is to say they've provided pay-for services or as a consultant to ICANN because as many of you will be aware, ICANN staff "are sometimes consultants to ICANN" so, not necessarily employees. So it's really just widening that definition to cover consultant employees or consultants in that case.

Next one, 552, deals with removal and the opportunity for the board to remove directors for missing a required number of meetings. We felt that was reasonable that a board, if it was not satisfied that a member was - in fact, we did soften it to say "may remove" and not "must remove." The circumstances there, our thinking, you know, may be reasonable basis.

You may have a very well qualified director who has, for example, a significant personal issue over the short term but the board is satisfied is now passed. Could be anything, I won't speculate as to what that could be but that's just one example and yet the board values that person so we wouldn't want to tie the board to, you know, you've got board member X misses three meetings for legitimate reasons and the board is then obliged to remove them based on that.

So we said - we gave the board the ability to do so but did not oblige them to do so. So they may remove and, also, we felt there was a check and balance required here so that if the board did remove a member for whatever reason - a board member, a PTI board member, for any reason the approval of the member is required.

Now in this case the member is ICANN so what you're going to have is the PTI board saying, "Look, Jonathan's missed three meetings, we want to remove him, ICANN please approve this removal." And so there's a kind of check and ICANN says, "Well are you sure you want to do that?"

But that seems to be a reasonable check rather than the board simply just boots Jonathan out for missing three meetings that they go to ICANN and there's a check in there. So that's what that's intended to - that's the purpose of that. Sharon, go ahead.

Sharon Flanagan: Thanks Jonathan. There was one other question in the draft bylaws and that was how many meetings would a director have to have missed in order to be considered for removal? And we had just put in - and there's also (unintelligible) so how many meetings in a twelve month period and is it a certain number of meetings in a row, or is it just you've missed this number of

meetings over the course of the year. And three is a number you often see, so if you've missed three consecutive board meetings or you've missed three meetings in a 12 month period. So that's one other question for you all to consider is what that standard should be.

Jonathan Robinson: Well I would suggest that we put three in there and I think it seems right that it should be three in a 12 month period and especially given that we've softened it and if others feel differently - I mean three consecutive would be covered by three in a 12 month period so it feels to me like three in a 12 month period would be adequate. And Paul Kane agrees with me in the chat.

Let's go to Kavouss.

Kavouss Arasteh: The key words because anything might happen to anyone to be sick or to have some problems, obstacle (unintelligible) so forth so we should talk about the consecutive, a number three consecutive and then we should talk about the period. Perhaps the 12 month that you mentioned may be a reasonable one but the consecutive is very important to (unintelligible). Thank you.

Jonathan Robinson: Thanks Kavouss except that logically three in a 12-month period would cover, I think, unless I'm missing something, three in 12 months covers three consecutive - in any event the board would then be empowered to potentially remove the director and so Sam's question, the chat, is this only for regularly noting, I would think so.

I think that's a good point rather than short notice. I don't know, maybe someone could help me to know what the notice period is but - and what the difference between regular and short notice in this context.

Yes, so Sharon confirms that the draft language proposed was regular meetings earlier and that feel reasonable to me. No more than three regularly noted meetings in a 12 month period. And Kavouss for your satisfaction that would cover three consecutive in any event.

I'm just putting into the board code of conduct as opposed to baking it into the bylaws. Well, first of all, I wasn't sure we had a board code of conduct necessarily and second, Sam, the fact that it is "may not" feels that it is not necessarily a problem to having the bylaws but why don't you come in and you can give your thoughts.

Sam Eisner: All right. Sure, thank you. I do agree that having the "may" is helpful in this situation. I do worry about having a three meeting rule. I don't disagree with the three meeting concepts, right, but I do have a worry that a three meeting rule - you know, there are notice provisions required but, you know, there's - if we just look at how the ICANN board works, right, so there are meetings that are called that we know that are based around the ICANN meeting schedule but you always know when those are going to be, basically.

But sometimes issues come up and so it is indeed a regularly noticed meeting because the directors will get the 48 hours of required notice that they need. But it might be set at a time that directors aren't available and, I think, I don't want to bake into the bylaws a place that you could actually, if there was ill intent, and I'm not trying to give the ill intent to anyone but if there was ill intent you could very easily structure meeting absences based on when you give notice to get someone else on board.

So I don't want to really bake into the bylaws the ability to have that hard and fast number. I would go against - in my view of corporate governance I think it's good to have the expectation of attendance and everything and have

guidelines of what people are expected to do but have the further documentation to support it that can help build out some of those specifics about how the other members of the board should consider that.

And as a follow on, on the board code of conduct, you all may have seen from the NPIA Report that came out last week. There are a couple areas on their yellow action items from their evaluation (unintelligible) principles that suggested certain governance practices that exist in ICANN should be ported over into PTI.

And so one of the things that we're working on - I know that PTI conflicts of interest is on your agenda for this call later but, along with the PTI conflicts of interest policy within ICANN, the ICANN board conflict of interest policy goes hand in hand with the board code of conduct.

So one of the exercises that we're doing right now is we're actually going through the ICANN board code of conduct which has been subject to public comment, developed with governance experts, et cetera, and we're trying to do an initial parse through it to make it applicable to PTI and then that would be shared with the CWG and everything and also subject to public comment before it went into effect.

But there'll be areas to help guide the board in these types of assessments. And so I think that that's another tool that will be available for the board and the community to look at as a place to specify some of the other governance expectations of the board that we could look at to see if things need to be in the bylaws or not.

Again, with a permissive "may" as opposed to the requirement of a "shall" we could live with it here but I think that this is exactly the type of thing that a

board code of conduct would actually be far more helpful in setting out the requirements for, or setting out the expectations for, as opposed to in the bylaws.

Jonathan Robinson: Okay, let me defer to Lise for a moment and then come back with this (unintelligible) I just noticed that (Cheryl) in the chat said that "may" is fine if it's in the bylaws, the courage to see the use of the development of a code of conduct and other similarly important documents such as a conflict of interest policy.

Lise Fuhr: Can I go ahead Jonathan?

Jonathan Robinson: Please.

Lise Fuhr: Okay. Thank you. I was actually going to echo some of what's been said in the chat but while usually when you have a board you plan the year ahead for the board meeting so I must say I don't see the big problem in actually having this rule and I think it's such a strong rule that gives an important signal to all the participants in the board that it should be both in the bylaws and I think it's perfect to have it in the code of conduct.

So both places would be fine for me and well, as also said in the chat, all the directors are planning these meetings, it's not only one or two who are doing this. Thank you.

Jonathan Robinson: Thanks Lise. I noticed that support coming from Paul Kane and (Matthew) in the chat and, just to reiterate here, this empowers the board, it doesn't oblige the board. There can be further detail in the code of conduct and, moreover, it's required member approval so there's a further check and balance in that ICANN's got to ratify this. The board can't simply say, "Right, you've hit three

meetings, you're out." There's quite a few checks in here, the board is not obliged to do it.

So, let's - I think the key new introduction here is the concept of a code of conduct and I think - so, it's really in notes I guess to trying and others working on this, but I don't think we've - and I may be not remembering accurately, but I don't recall us discussing this.

I understand (Stan)'s point about this coming up through the NTIA documents and so on, but we do need - that's another document that we then need to stop working on and developing if there's going to be a code of conduct in place as well.

Trang Nguyen: Hey Jonathan this is Trang can I come in quickly on that?

Jonathan Robinson: Yes.

Trang Nguyen: Yes, so as (Sam) mentioned coming out of the NTIA report last week we identified some additional documents that were recommended by NTIA to be put in place and the PTI board code of conduct being one of those documents. The other document that was referenced in the NTIA report is the accepted standard of behavior document, so we are in the process of drafting both of those documents for PTI which are going to be based on the ICANN documents.

So, the intent is to be able to hopefully either be able to -- by tomorrow or early next week -- circulate to the CWG the package of the PTI conflict of interest policy, the PTI board code of conduct as well as the expected standard of behavior as a package for the CWG to review.

Jonathan Robinson: That's helpful to know, thanks Trang. Good, all right. So, the next is a similar one, the next 5.6.2 is similar in that there's also creates the opportunity for removal for failure to meet any direct qualifications if the bylaws proscribe such qualification, and again our view was that this was reasonable provided it included in the qualification and that it is included as may remove and the board is not obliged to do so, and approval of members required. So, similar check and balances is put in place again.

I'll just keep moving on unless you pull me back or want to discuss a particular point. On a quorum, we've got two director quorums and the quorum must include at least ICANN director and one non-com appointed and again just notes to the person taking notes I think we need to move away from this non-com appointed, because it's not non-com nominated I think technically, and that's the case.

And then there are certain thresholds where a simple majority that is to say three of five might be - a majority greater than a simple majority three of five directors that is to say four of five directors should be required for certain actions. And what we said was in those high threshold decisions we felt okay that it should be four of the five directors, but we felt that that should include both of the non-com directors and that really provided a balance between the independent and the staff directors.

So, that's the motivation intention for that, and that comes up both in terms of new committees, and other matters where greater votes is required. Sharon do come in and comment.

Sharon Flanagan: Thanks Jonathon. So, the proposal is four of the five directors and two of the directors must be the nominating committee nominated directors, if I understand that correctly. The one question I wanted to flag is what if -

because that requires both of the nominating committee seats be filled at all times in order to take any of these actions. What if there's a vacancy is it - how cumbersome is the process for nominating committee to nominate a new director?

If it's a fairly streamline process then I'm not concerned about a vacancy because it will probably be filled quickly. But if it takes a while, you may want to consider that in the event of a vacancy that there could be action with the one nominating committee nominated director present.

Jonathan Robinson: That's a good question Sharon others that are qualified need to talk about the nom-com processes, but I do take your point that we either need an alternative process or a mechanism to fill an interim vacancy if and when the nom-com is unable to, you know, if there's a director vacancy for whatever reason. Alan Greenburg, go ahead Alan.

Alan Greenburg: Thank you, I think in general the nom-com may well be in the future trying to have people in its back pocket ready, but you're never in the position to guarantee that, especially in times of transition of nom-coms and things like that. But I'll question a general issue, the wording says four of the five directors, normally votes that are required not just of percentage of the quorum but of the directors, is of the sitting directors. And I worry that at any given time we may not have five directors conceivably we could only have three.

And at that point the corporation is paralyzed. So, shouldn't we have these words slightly different than that?

Jonathan Robinson: I think that's a very good point Alan, noting that (Stan)'s almost made another good related point here that it's not necessary a vacancy, but a conflict

of interest may conceivably take out one of the nom-com appointed directors. So, we need to accommodate for that. My sense is that we should let the lawyers create reasonable exceptions here, and not try to second guess all of this.

In my mind the high level intent is here, but and Sharon you may want to come on this, but to the extent that this intent can't be fulfilled are there are reasonable basis, we need to provide exceptions such as those two cases that (Stan) pointed out. Personally I'd be comfortable with delegating that to the lawyers, but others may not.

Kavouss Arasteh: I think we should be quite careful whether we could face some difficulty if we talk about the sitting directors to make a decision, and so just (Tom) says on the quorum to any decision there is a quorum if it (unintelligible) the quorum then there's decisions would go to the single majority or to the four seats of the majority for any other criteria, but these are together, these are linked together. If we don't have any quorum no decision is made whether we are sitting (unintelligible) or is not (unintelligible).

So, have you connected these together or have the lawyers think of these two are interconnected, thank you.

Jonathan Robinson: Thanks (unintelligible) I'll leave the lawyers to think about that, but I would expect so. Alan.

Alan Greenburg: Thank you, I'm happy to leave the wordsmithing to the lawyers and if the intent is 80% as opposed to four out of the five, then that's quite fine. With regard to conflicts, normally conflicted directors abstain. Which is counted as a no? It sounds like but what Sam we may because of the very small number of directors, and the threshold we're putting here which is only one short of

the whole board that we may want to - they may need to treat abstentions or conflicts as, you know, not being part of the board for that decision or something like that.

Again I'm happy to leave it to the lawyers, but we don't want to get into catch 22 situations where we can't make decisions that are important. Thank you.

Jonathan Robinson: Thanks Alan and I know what you're referring to with then abstentions mean no that at the ICANN board, which to my mind - or in my experience that's an unusual situation, normally an abstention is exactly that, and abstention it's the ICANN board is the exception rather than the rule. But it's a fair point to make. Yes, Sam makes out - points out in the chat that her concern is when a director just simply precluded from participating by virtue of conflict that then creates a problem, but I suspect and (Cheryl) points out that abstention in her view should never mean no. Sharon come in on the voice.

Sharon Flanagan: Yes, so maybe as a straw man on this, we could say that in the event of there is a vacancy or in the event that a director has a conflict and therefore will not be counted in the vote. Then it's an action of the majority of the board with at least one nominating committee and one ICANN. That way you ensure that you've got representation from both of the constituencies but you're not paralyzing the board.

Jonathan Robinson: Thanks Sharon and my sense is that you - and (Cheryl) I know to check off with (Cheryl) on that one and Kavouss as well. My sense is that you will be able to - the intent is expressed here, and our job is not to do your job or anyone else's, our job is to give guidance on the intent. So, personally I feel happy that we're okay there. In the interest of time I think I might nudge us on then and Alan points out that presuming one of the nom-com seats is filled,

and I should hope so, but again, exceptions - as part of good drafting is covering for exceptions as well as what is excepted and I hope that will be covered.

So, we then go on to the fees and compensation and Lise and I specifically elected in our initial draft not to pine on this for obvious reasons, we were naturally conflicted since we were likely to be the interim initial directors. But in the final events after some discussion in the ITOF, it was decided that whilst we didn't rule out the long term possibility of compensation for the directors, we did not want to put that in. And indeed our intention was in the short term that director's nom-com appointed or nom-com nominated directors will not be compensated for their work.

And ICANN directors of course undertake this as part of their role within ICANN and therefore are not to be compensated. But reasonable expenses including travel incurred solely in connection with work on the PTI board should be reimbursed. So, that's where we settled, I hope that's reasonable and acceptable to all, and I'm sure you'll let me know if that's not. And then we go onto some quorum rules which indicate one ICANN director and one nom-com director.

We felt the advisory committees were not appropriate or necessary in the case of PTI board, I think there has been some comment on the list from (Christopher Wilkinson) that this may be different in the event of a separation of PTI. One of the things we considered was that this is a new setup. This is a setup that the CWG has required, will be reviewed in due course, I think we set the first review for two years after formation, but in any event relatively shortly after formation a review will take place. And I think our feeling was that key issues like compensation advisory committees to the extent that they are relevant that should come out in a review.

In the first instance we felt there should be - there is only four advisory committees in a board of this size and nature in a (subsidiary subsidiary) company. Bearing in mind, of course that there is the operating in quotes advisory committee in the form of the customer standing committee. So that exists in the general setting. Kavouss.

Kavouss Arasteh: I'm not quite sure why it is not necessary or required. What is the problem of having advisory committee, does they slow down the process? I think we should have a little bit more influence - not influence, participation of the community of the (unintelligible) of the community or what can I say. Why it is not required is not necessary, I'm not convinced here, thank you.

Jonathan Robinson: That's a good point, thanks for raising it. I think I'll try and make an attempt to answer that, first of all at the ICANN level and this is an ICANN subsidiary or technically known as an affiliate, at the ICANN level there are advisory committees. So, to that extent the advisory committee exists already. Second this is a very small board with a very - looking at a very specific while important function, and that function is advised or has significant input via the customer standing committee. And also we've provided for periodic reviews of that function where the board community is involved.

So, it seems - seems to me anyway, I can't say that it seems to others, but it seems to me that there is plenty of scope for both advisory committees studying at the ICANN level and boarder community input at relevant points in the cycle of PTI, so that seems to make sense. And Paul Kane points out something quite important as well, is that PTI is a technical service provider, not an authority, the authority for policy arrests with the CTTLB's and the CCTLB in the CC cases and in the ICANN policy making forum with the GTLB's. Kavouss.

Kavouss Arasteh: Yes, I put my comment in the chat, could you kindly look at that one perhaps?
Thank you.

Jonathan Robinson: I see that, I'm just wondering if there's any - I mean at the moment the wording is hard. It says advisory committees are not appropriate or necessary in the case of the PTI board. Is there any support for Kavouss's point? Is anyone else coming forward and supporting this? Or having heard, I guess explanations are there any others in support of this?

I see a couple of comments referring to the need to keep it lean and not duplicate existing positions, I also see (Sharon Flag)'s proposal 112, Sharon maybe you could remind us what that actually says, and I see Lise also agreeing. So, Sharon go ahead and then I'll...

Sharon Flanagan: Yes, I just wanted to note the proposal speaks of having a board of directors and PTI having the minimum statutorily required responsibilities and powers, and then there's a reference to not replicating the accountability mechanism at ICANN. So, I think that was - I was just pointing that there's language in the proposal to support the notion this is a lean - meant to be a lean governance structure.

Jonathan Robinson: I would make one other point and then I'll come back to you Kavouss.
And that is that our job here is -- we've got to be very careful here -- our job is not to design anything more here, our job is to ensure the (unintelligible) of this call, the staff implements safely according to our proposal. So, being reminded of our proposal by Sharon is quite helpful in that context. Go ahead Kavouss.

Kavouss Arasteh: Not closing the door personally.

Jonathan Robinson: Kavouss could you repeat that, the first part of your comment was customer off.

Kavouss Arasteh: Yes, the text that I suggested that this advisory committee is not normally required. But, this means that in some exceptional cases, it may be a good idea to have this advisory committee. We do not totally rule out the actions that could be taken, but it would be very limited on exceptional cases by introducing the word or the term normally, thank you.

Jonathan Robinson: I take the point Kavouss, but I'm not seeing any other support for this, so it's difficult for me to suggest that this goes in. I think there is going to be a further session where we bring this up in Helsinki where we review where we are with all of this, so currently I'm not seeing any other support for it, so it's difficult for me to add that at this stage. So in the interest of time I'm going to keep us moving on. Thank you, Kavouss I didn't want to just not accept your input but I appreciate that you're not being (sistent) either.

When we come to 7.6 - 7.1 we've got the officers, and when it permit additional officers and as I think (Mathew) pointed out or someone pointed out, we've got offices, not officers. And our view is that the corporation will not need additional officers and therefore the board does not need to cut that capability to appoint additional officers. It's a small lightweight outfit. Sharon go ahead.

Sharon Flanagan: There was another question embedded in 7.1 it's related, is whether member approval will be required to appoint or remove officers, or whether that will just be for the PTI board to do.

Jonathan Robinson: Sharon I'm sorry if we missed that, so the question there is, whether the appointment or removal of officers will require member approval.

Sharon Flanagan: And (Jonathon) we describe to that - and I should clarify, the president does require the member to approve. So, it's the other officers and so you may feel that those are not so significant that you need the member weighing in and that the board would be able to have the authority to do that for all officers other than the president.

Jonathan Robinson: I don't feel clearly or strongly on this one, it's not quite clear to me who's going to be appointing these officers, is this the board that appoints them in the first place?

Sharon Flanagan: Yes.

Jonathan Robinson: Treasurer and the secretary?

Sharon Flanagan: Yes.

Jonathan Robinson: I think its board approved then without member approval then the board should be empowered to remove them, it seems logical. Anyone see that differently? Okay, therefore the board - there's no need for additional officers, thanks Alan for your tick mark, but the board has the discretion to appoint and remove the secretary and the treasury.

Okay, moving on, the president my delegate his or her responsibilities and power subject to the control of the board, we thought that was reasonable but the board may approval delegation of responsibilities and that the member approval should be required for the prescription of additional powers by the board to the president, and that's just really a control, so this - the president

will have a preset -- I expect -- a prescribed set of power and to the extent that those that the board wishes to change those, it seems to make sense that there is an additional check and balance which is the member approval.

Is anyone worried about that? That means the board gives the president more powers, ICANN has to approve that, seems reasonable to me, it doesn't seem to cause a particular problem. Okay. and then finally to plan, which is item 9.3 final part of the bylaws is that the strategic plan is - we were asked if we - if the strategic plan should follow the same review process and essentially our view was that a strategic plan should be - is naturally prepared in conjunction with a budget and therefore it needs to be prepared and we would expect it's subject to the same process as the budget.

I see (unintelligible) makes the point in the chat that do we need a statement to ensure that those changes are consistent with the mission and bylaws? I think I'll - that's a fair point (Mathew) but maybe that's something we can just leave with the lawyers if they think that's something necessary constraint to put on those, I would - feels logical and feels sensible, so I don't have an objection to it. In fact I don't have any objections to it being added like a sensible point.

And then we've got final article 12, the amendments which is the board approval of bylaw amendments and we've put the higher threshold in here again and ask for approval of bylaw amendments to require the high threshold of four of the five directors and two of the directors must be non-com appointed directors and this would be subject to similar points made earlier when and if there were problems with either conflicts or absent selectors.

Sharon your hand went up and then down again, did you want to speak? Just put your hand up again if you do and I'll bring you in, go ahead Sharon.

Sharon Flanagan: Yes, thanks (Jonathon) I'm sorry, I'm going backwards which is why I didn't want to interrupt the flow here, but - and I think this point you're raising is just the same point we talked about earlier on the more significant votes and we can propose language, similar language for this if you - but if I can go back to budgets, we still have an open point on that which is the draft language of the bylaws said that PTI would -- I think -- propose the budget 270 days before the year begins, I believe is what it said. But remember PTI needs to bring its budget to ICANN nine months prior to the fiscal year.

So, we actually need to back up a little bit more and the question for CWG is, how much time do you think the PTI board needs to consider the budget? So, we've got nine months it goes to ICANN so they need, is it 10 months prior, 11 months prior that the PTI board is approving.

Jonathan Robinson: Only suggestion on that would be that, you know, one does a budget a year ahead, and we could say in order to accommodate that we probably want to - if there's a nine months, it's no less than 10 months prior. So that we given - so we simply provide an extra month that the PTI board approves the budget no less than 10 months prior and that just creates an extra month in there. That would be what I would think. And it seems okay to you, I know Chuck isn't on the call unusually, oh Chuck you are there, I don't know how that sounds (unintelligible).

Chuck Gomes: I am here Jonathan, and I'm actually just getting into adobe now so, the - first of all let me remind everybody that Xavier was very much involved in this process accommodating the CWG recommendation. So, I'm not sure if another month is needed the way it's designed. The nine month, now keeping in mind that it's not just going to the - I don't think it's just going to the ICANN board at that 270 day mark. But there would be a process for the community to provide feedback.

So, by the time we get to the posting draft ICANN budget there's already been feedback that's been submitted and accommodated from the community so, that the draft ICANN budget would have a fairly well vetted inclusion of the PTI budget. So, and I don't know since I just got in adobe I don't know whether Xavier is on or not, but I suggest that we check Xavier and the ICANN staff on that to make sure. But I think the process would work whether and extra month is needed or not before that nine month window they could probably tell us, but I think that's a prudent way to do it, it's just less check with them.

Jonathan Robinson: Thanks Chuck let's do that then, and Grace is already noting that that's a check we need to make whether that's a necessary additional change. Alan Greenburg go ahead.

Alan Greenburg: Thank you, Chuck with Xavier will probably be helpful, I have a recollection of a discussion months ago in some meeting and I can't remember if it was one of these or something else, where we decided that the nine months had been a little bit overreaching because the ICANN budget itself is published about four months before it takes effect. So, it's not clear we need five months in advance of that to feed it into the ICANN budget and I thought we came up with a way to meet the requirements but finesse it into something that's more practical.

So, we're not predicting the budget a full year out from when it started, but I can't remember how we did that and hopefully Xavier may recall something. Thank you.

Jonathan Robinson: Thanks Alan and I note (Akram)'s comment in the chat that the PTI budget should be approved by the PTI board right before the ICANN board approves

the ICANN budget which is the end of the process not at the beginning.

Chuck go ahead if that's a new hand.

Chuck Gomes: Sure, and Alan's right that we did talk about that nine months issue, and I think what we concluded was is that what's coming out at the beginning of that nine month period is not the final budget, but it's one for comment and discussion. And if ICANN in their involvement and it needs to have another month that's fine, they can have that but, I think the nine months is still a good mark because there's a possibility of multiple comment periods on that part within the (I-anna) part of the process of reviewing the budget.

And if more than one comment period is needed or feedback from the community there needs to be time for that. If it's not needed I don't think there's anything lost. But it's better to have a little bit too much cushion than not enough so that it does not delay the posting of the ICANN budget which if we go by the recent years it's been beginning of March. So, I don't think the nine months is excessive to allow to plenty of comment period, especially in cases where there has to be another iteration of comments from the community for the PTI budget, I hope that made sense.

Jonathan Robinson: Okay. So, do we have enough information with which to work? I'm (unintelligible) slightly I just need to - it's not 100% sure that Sharon will have some information we provided enough to work with. Go ahead Sharon.

Sharon Flanagan: Yes, we're just trying to deal with a purely mechanical issue of making the PTI bylaws sync up with the ICANN bylaws, so, we can't have both bylaws say that the deadline is nine months prior because we need some amount of time, the deadline is nine months prior, PTI has to deliver it to ICANN and then there's got to be some amount of time before the nine months when the

board of PTI is approving it, it can be a week if the board can gather quickly. But we can literally have the same deadline, it just won't work mechanically.

Jonathan Robinson: Thanks, it feels like that's - my thought is that that can be accommodated by working, I mean as you said it's more of a mechanical issue than a substance point of just making sure that the two work together. Chuck.

Chuck Gomes: So, thanks, I'm a little bit confused on what Sharon's saying because maybe I don't understand the ICANN side of it, but having worked through this with Xavier where the - where ICANN and it's budget process really needs the - a board of PTI board approved budget is before they start their - post their draft budget for public comment and that's not nine months in advance, that's like I said around the first of March.

So, I'm probably missing something here Sharon but now the fact that at nine months prior if the ICANN bylaws say that there needs to be something submitted I would think that ICANN would receive the same budget the community would for PTI at that nine month window. But that wouldn't be the one approved by the PTI board that approval of the PTI board would be after public comment of the PTI budget and so forth. But it does need to be before that March deadline for posting of the ICANN budget, so I'm probably missing something and please point that out to me.

Sharon Flanagan: Yes what would be helpful to us is if someone could just do a quick sample timeline of what you think the sequences of when the PTI approves it when it's going to ICANN, when it's going public comment, because we just want to make sure it's all syncing up together, and it may be that it does, but I don't have a good picture of the sequence of events leading up to the final budget.

Jonathan Robinson: I suggest we just try and post something and if that's anyway to provide you with that Sharon if the concerns remain then we deal with it, but I - exactly as Chuck and Xavier do that. But I think we should do that and if a concern remains after that then we deal with it. Okay, I'm just mindful of where we are in the call, I think we have time to get to the remainder of the agenda but I feel like we've - yes. Because that's the point just to make sure there's are coherent and work together properly, I'm not to nudge us then through the next point in this agenda.

We put up as a second bullet point the ICANN PTI contract which is really just a - we're not going to go into any detail at this point and (Hafash) has asked trying to remind us where we are in the process of dealing the ICANN PTI contract and of course just so you're clear on that, Trang could you just come in and remind everyone where we are with the development of that work and...

Trang Nguyen: Yes, (John) thing is - so where we are is that part of the plan we would have the draft, naming functions agreement ready to be circulate to the IOTF and CWG for review this Friday, so that's what indicated in the work plan. And we are internally working on reviewing a draft of that and tidying it up before we share it.

Jonathan Robinson: Thanks Trang and I'll remind the group, one of the issues that will be subject then for discussion is whether or not there is more than, the contract is all encompassing, or whether or not there are multiple agreements and that's subject to some further discussions as we see the substance of those. Then separately there was some work done to deal with NSC of the proposal and Sharon, I'm not sure if I've prepared you for this, but if you do feel sufficiently prepared to just give a quick summary of the work that was done there, so the group is clear on that.

It's really just needs probably a very brief input as to what work was done there if you feel able to do so go ahead.

Sharon Flanagan: Thanks Jonathan, so based on some comments from Paul Kane and others we've created this template that reflects portions of the CWG proposal that were in annex C to the proposal, section seven and eight. And we've provided the draft of the provision and also noted whether it would go in the bylaws, or in the contract or both. And it just documents certain - recognition of certain respects for policies and procedures that exist at the registries and the recognition that for example CCTLD registries will not require a contract and things of that nature.

And the preference was in certain cases to reflect it in both the bylaws and the contracts because there was a feeling that the bylaws from a worldwide standpoint had a feeling of a stronger more enforceable set of documents and that there would be greater comfort in seeing it in the bylaws. We also propose it being the contracts because we think it's important to document through that structure as well. So, I think at this point those who've been interested in annex C, I think have signed off on this table that we've prepared.

And I think it's been circulated and I don't think there's anything more Jonathan to cover on that.

Jonathan Robinson: Certainly (unintelligible) efficiency that I could have, so thanks Sharon, yes I agree with you, if people have questions or issues, refer to the documents and / or come back to us, but I think that work does seem to be round up. Now on the (I-anna) IPR issue, it's a slightly delicate point in the sense that it was our understand that it's the CWG legal client committee or those of us that are working with the other communities on this that it was going to be a mutual

referral to the separate legal teams and that's - was some discussion of whether that was in sequence or in series.

In the end it happened in sort of parallel and we haven't really had an opportunity to go back and talk properly, there's been various emails passed between us, but we haven't had the opportunity and we're just in the process of scheduling a meeting. So, I think it's probably premature to say anything about that, it's really about any appropriate safeguards and together the three communities came up with a set of principles for the handling of the (I-anna) IPR within the IATF trust.

We took - we got the legal input and we simply haven't yet discussed that legal input amongst ourselves and understood what the implications of that are, what concerns and issues that throws up. So, I think it's - there's not a whole lot more to be said about that for the moment, and if you'll question Kavouss is how urgent is the IPR issue, I think it felt to be reasonably urgent, there was some talk of the fact regular or not this could be resolved post transition or not and I think there's some quite strong feelings that it must be resolved ahead of or at the time of the transition.

So, there's reasonable urgency like there are with many of these points, but we are working on it. Of the PTI conflict of interest policy that's still to come as part of the delivery of a series of document that Trang referred to a moment, although it's expected that that will be very closely related to the existing board of directors conflict of interest policy. So, that's where we are with that. And I think Trang I'll then hand over to you on implementation, if there's anything else you want to cover that hasn't been satisfactory covered right up until this point in the call.

So, let me give this group a rest from my voice and hand over to Trang for input and discussion.

Trang Nguyen: Thank you (Jonathan). Okay. So, let's wait for the slide to load here, thank you very much Brenda. If we could go to the next slide please. So, to give everyone a quick update on where we are with implementation planning activities as it relates to the parallel testing efforts. I believe we're at day 71, 72 something like that into the 90 day parallel testing period and everything continues to progress well. So, if not issues we are anticipating that parallel testing will conclude on actually July 5th.

And then with regard to the root (unintelligible) agreement, we are very close to finalizing that agreement, I think work is down to a couple of items that we need to, you know, work out some of the more finer details with Verisign, so we're very close on that, on finalizing that agreement. And then real quickly on where we are with the names SLE's as you know we have been collecting data since March and we have also - so we've been - what we've been working on is aggregating the data that we've collected.

So by now we have a little bit over three months of data and we're aggregating the data and taking a look at them and are working on proposing some performance targets so SLA based on that data to them present that to the SLE design team, per the agreement with the design team in Marrakech we would provide that information in the early to mid-July timeframe, so we're still on target to do that.

The team has also been working on a dashboard to record all of these SLA's as required in the SLE proposal and we've got a version of that done and are going through testing and fine tuning some of the charts and things like that

but we expect that there will not be any issues with having the dashboard done in time for the transition. Next slide please.

With regard to PTI obviously we have various streams of work going on with PTI, we have the PTI formation documents which are the bylaws, the articles of incorporations and some of the other documents that we'll be circulating hopefully tomorrow for the CWG to review. So that's one track of work and then the second track of work that have for PTI is all of the various contracts and subcontracting agreement, so, that is also on track per the work man to be delivered this week.

And then the third track of work that we have with PTI which is more than in total track of work is all of the work related to operationalizing PTI and, you know, so all of these things that we're working on I terms of the bylaws and then incorporation of PTI all of that is just to make sure there exists a legal entity for it to be fully functional and on October 1st there's a lot of internal work that needs to be done. So we have a separate track of work along that.

All of the discussions around the PTI staffing topic, it's actually going to feed into the development of the inter-company services agreement and which I know is one of the topics that is still currently open in terms of whether or not that remains a separate agreement or if it gets combine with the name functions contract in some way. So, that sort of the three streams of work that are going on and how they interrelate to each other. Next slide please.

With regards to (I-anna) ITR as Jonathan mentioned there is still a lot of work to be done by the operational communities to define the framework and we're still waiting for those requirements from the community. Separately, you know, ICANN is starting to look at the evaluation of the (I-anna) trademark, so we've just started to go some initial thinking around that. So, that's why it's

reflected as 5% there, on the R-vote as you know we have published the R-vote charter for public comment so it's currently in the public comment period.

It's a 30 day period. We anticipate that we would be able to finalize that charter by the end of July and then would initiate the process to form the R-vote as the beginning of August, and that the R-vote would then be formed by sort of mid-August, the mid-August timeframe. The process for the formation of the R-vote is a bit simpler than the process to for the CSC in that there isn't necessarily an open call for expression of interest, it's essentially the various organizations that are going to be part of the R-vote appointing the either the chairs, or one of the delegates so serve on the R-vote.

So, it's a simpler process and we think that that could be accomplished in a shorter timeframe. With regard to the CSC, we have initiated the process and have requested that the appointing organizations which are the ICANN SO's and AC's as well as the RYSG to initiate the internal processes to appoint members and liaisons to the CSC.

We have provided a deadline of July 22nd for the appointment to be communicated to ICANN and then the next step would be that ICANN would forward those appointments to the CCNSO and GNSO and so that they could make a final determination on the composition of the CSC. We expect that all of that work would be completed by mid-August. With regard to the escalation processes we received the clarification that we need it in order to update the process documentations.

So, based on the clarifications we've seen we have actually started to update these process documentations and are almost done with that. Next slide please. With regard to the ICANN bylaws you can see there that that work has

been completed as the ICANN board adopted the bylaws on May 27th. The ICANN articles of incorporations are currently out for public comment. It's a 40 day public comment period and I believe it closes in early July. So, that's where that is at.

With regard to the ILP enhancement there is a CCWG working group that has been formed to define the procedures for the IRT, so that work is ongoing and we are monitoring and following the progress of that working teams work. With regard to the reconsideration request enhancements, the work around that is essentially to update that process documentation, which we see no issues with being able to complete by mid-August. And then the empowered community enhancement are essentially looking at what mechanism and things we need to be put in place in order to support the empowered communities.

So, by that we mean secretary support looking at the processes if the empowered community will require a webpage to post their materials, would they need, you know, a dedicated email address or an adobe connect with those types of things, things that would need to be in place to support their processes. And we don't want to say any issues we've been able to put those in place by a mid-August timeframe.

With regard to the financial planning process what that refers to is the ICANN caretaker budget and the PTI caretaker budget as well as the ICANN and PTI financial planning process that we've been discussing here. And as you know the caretaker budget framework are completed as we find in the bylaws in the ICANN bylaws, and with regards to the financial planning processes we have presented a process to the DTO and there's one area of that plan that we presented to the DTO that still requires to be fleshed out a little bit and that is

the engagement portion prior to the PTI board approving the PTI (unintelligible).

But we don't anticipate that that would be - that would take too much time to get fleshed out and that this project would be able to be completed by mid-August. So, I will stop there and see if there are any questions or comments. So, Jonathan since there are no - doesn't seem to be any comments or questions I'll turn it back to you.

Jonathan Robinson: Yes, thank you Trang so that's good to see, and to hear. I think under those circumstance we can move them straight onto the work of the client committee and essentially because we focus so strongly on the sort of legally related issues affront, there's not a whole lot to say except for the one has been a question raised, you'll remember back in the ICANN meeting in Marrakesh staff presented a proposal for the staffing of PTI that involved a secondment of current (I-anna) / ICANN-es to the PTI.

And this caused some reaction of surprise which was then followed up by request for all comprehensive rational of that. That rational has taken some time to be forthcoming, but has now been forthcoming and the area's the subject of an ongoing discussion within the IOTF, and I think that in the most recent IOTF meeting that is to say yesterday, staff committed to go away and sort of rethink a little about what kind of parameters might exist on this.

For example one of the key issues might be when and if new staff are hired in to perform (I-anna) related functions as their primary role are the hired by ICANN and seconded to PTI or are the actually hired by PTI. So, there is a number of open items in effect to that, but there was one particular question that was raised with (Sibley) via the client committee and Sharon, I fully

acknowledge that you may not have had time to consider this, but I just flag with that group that we have raised this question to the Chuck posed.

Sorry, a question that Chuck posed to the ground that has come up in discussion of the same topic in the registry stake holder group, Sharon I'm not sure if you have had a chance to think about this or have a preliminary response, or if you'd like more time to do so.

Sharon Flanagan: Jonathan can you just state the question, I did see some emails about the topic, but what's the particular question?

Jonathan Robinson: Let me get us exactly Sharon so that I make sure I'm happy to be (unintelligible) on this as well, but essentially the point is that ICANN is proposing to - the proposal says that many functions is those functioning legally were in sense were less of the concept from the ICANN entity. And the question that was raised, is, is the secondment of virtually all, or all PTI personnel from ICANN does that create a risk that I guess either that this is not - this is the proposal, or that PTI is in effect not a separate corporation under California law if there are no staff employed within PTI.

I mean that's not the standing view that others might have like (James Gannon) who says here, concerns over the combination (James) repeats what I said I earlier that it's a subject of an ongoing discussion in the IOTF and I am in fact composing the CWG list, so it's a live topic, that's the sort of legal question if you like Sharon.

Sharon Flanagan: Yes, so to answer the particular question of if we don't transfer any staff legally transfer them to PTI does that risk that it's somehow not viewed as a standalone separate corporation. I don't have concerns there, it will still be a legal entity and it will have activity going on through these, basically a

services arrangement with ICANN. So, I'm not worried about that, I think, you know, there are probably other issues that are raised, but I don't have a concern about the corporation status.

Jonathan Robinson: Okay, that's fine and I think really then from the point of view of the group, so the question will be, is this consistent with selectors and spirit the proposal and I see already others are posting their views like (Avery) and (James) and how do we want to resolve this, and I just remind you that staff did commit to go away and rethink this after the OTIF meeting yesterday. Chuck go ahead.

Chuck Gomes: Thank Jonathan and thanks Sharon, I just want to make sure that what I just heard from Sharon answers (David)s question, I think it might, but (David Maher) is the one on the registries that raised the issue, so let me read it verbatim so that Sharon can confirm or not that her answer answered this question. He said, "The proposed secondment of virtually all PTI personnel from ICANN appears to me to pose a legal risk that PTI would not be considered a separate corporation under California law. I suggest that (Sidley) be asked to look into this."

Now, I think Sharon just answered this that it doesn't, but I just want to confirm that.

Sharon Flanagan: Yes, Chuck my intention was to respond to that, I don't have concerns about the legal status of the corporation. As I said there are other issues which it sounds like you are discussing, but I don't have an issue on that score.

Jonathan Robinson: So, let me suggest this, there is certainly - feel free to -- as I'm sure you will -- to make points known via the CWG or the IOTF in fact, but the kind of live questions, just to give sense of where the live questions are is, should we

offer the opportunity to current IR staff to transfer to PTI? Under the same conditions as they currently enjoy, should that be mandatory? Should or should they be given the opportunity to stay within their existing ICANN employment and be seconded to the PTI. Is there an exception with respect to the PTI manager?

Is that different with staff that come along and be appointed in future rather than those that are currently employed, and (Greg) I notice you point out in the chat you don't think these are legal issues and indeed, just to be crystal clear, I'm not suggestive we ask these questions of Sharon, these are questions for the group. They are legal questions to the extent that if there was an opinion of the lawyers that these contradict the proposal in some way or pose other legal risks or issues, that's a point.

But for the most part, these are about respecting the current employees but also sticking to the constancy with our proposals. (Alan Greenburg), go ahead Alan.

Alan Greenburg: Thank you, I unfortunately had to miss the IOTF meeting yesterday, but I will be providing something in writing to give my opinions. But in short, I think as we look at all of these issues we really need to remember that, you know, to quote an old commercial, job one is making sure that (I-anna) performs the job well and we can retain and attract the best possible people to do that job. Otherwise all the rest of this doesn't matter. Thank you.

Jonathan Robinson: Thanks Alan good point. And I've read notes in the chat that have confirming's about the potential conflict of interest PTI managers being both an employee of ICANN and reporting to or begin responsible to the PTI board. Olivier go ahead.

Olivier Crepin-Leblond: Thanks so much Jonathan (unintelligible) and coming from an industry where there's a lot of contracting going on, would there be opposition to these employees remaining employees of ICANN but actually being contracted by PTI to work solely on PTI matters, as in they would then take up, I think that there are ways to get them to effectively act as PTI employees but being contracted from ICANN.

Jonathan Robinson: In my layman's understanding that is in effect what is a form of what the secondment is, it's effectively a sort of perhaps reverse secondment, but never the less it's in essence, secondment is a form of contractual transfer while they remain employees of ICANN. (Greg) go ahead.

Greg Shatan: Thank, first in response to Olivier I think you're correct, but secondment actually goes further than subcontracting in the sense that, you know, secondment is in many ways to mimic being employed by the company to which you are seconded, but your ultimate employment relationship is with your original employer, law firms occasionally second folks that we over to clients, you know, were always in a sense working as contractors.

But when you're seconded, you go sit in the office there every day and you, you know, go to their lunch room and go to their parties and are supervised by, you know, their personnel rather than the law firm personnel etc. So it's an almost kind of being an Ex-pat in a way, so I don't think contracting or subcontracting, you know, it puts us in the right direction. Reason I raised my hand though was that I think that question we need to deal with is whether secondment meets the requirements of our proposal and ultimately the ICT proposal to which our proposal is poured.

I know that the memo that ICANN submitted on this said that their analysis was that it does, my view is that it doesn't. Meet is set forth in our proposal.

And if that's the case the then question is we don't need to be slavishly following our proposal, but if we are going to vary from it, I think that's a decision that needs to be made and we need to, you know, decide that not only on practical bases we can live with some or all of the secondment, but we also need to decide, either A, you know, who's right between me and ICANN, if you will.

I don't mean to elevate myself as an arbiter of that, but between the two possibilities that it does or it doesn't and do we change our proposal? How do we kind of live with something that is being proposed that is advertence? And then we need to deal with the practicalities of how we do it. And I kind of sit where Olivier does in the way too, which is secondment of current employees, different for morale reasons or whatever they may be is marginally accessible, new employees I don't find that accessible, and you know, the PTI manager, you know, that raises yet another question kind of dual loyalty.

Either way though, I think there are solutions to these problems, you know, ultimately we can get through this, and but I think as a gating factor we need to determine whether what's being proposed as an implement is or is not consistent with our recommendation. Thanks.

Jonathan Robinson: Okay, well exactly, and hope - I mean I know that ICANN is clearly on the call trying Trang, Sam and others are listening carefully to this, they heard it similar input by the ITOF and are reconsidering the way in which this is structured, so it may just be that there is an alternative and it's not that - I it certainly doesn't mean we can modify our proposal at this stage, it's really a matter of both fitting with the proposal in a way that the community is reasonably satisfied. And if you'd like to make another... Olivier I did not hear you at this stage.

Olivier Crepin-Leblond: Oh thanks very much Jonathan it's Olivier speaking and I'm sorry I hadn't heard that you had passed the floor to me. I had a question for Greg and he mentioned what was not acceptable in his view, and the question is what would be acceptable, would the hiring of fulltime employees by PTI who have been therefore laid off from ICANN and therefore become fulltime employees, would that be acceptable or is there a halfway mark that would make the separation acceptable enough? Because I have trouble understanding that. Thank you.

Greg Shatan: First I wouldn't use the term laid off, because that's (unintelligible) or at least (unintelligible). but in terms of transferring the employees to PTI from which they will be employees that is still what I believe from the point of view from satisfying our requirements and making PTI a self-sufficient and easy to separate or as separable as possible, that's the gold standard I understand that there are a variety of issues that have been well raised by ICANN with regard that problem. I'd like to see if we can solve those problems as to whether the halfway point.

I mean I think they're either an employee or you're not. Secondment in a sense is a halfway point, whether it's a halfway point between secondment or not, you know, really goes at best to kind of try to solve problems at the time of separation as well as, you know, trying to solve all the other problems that come up that are distinguished someone who has an single employer from someone who has both an employer and a place to which they are seconded.

Jonathan Robinson: So, will that be at the time of it more or less for the call now, and so I just need to - I think there's going to be a number of points raised about the possibility of secondment of existing employees, potential time limits to those secondment, questions whether that applies to PTI manger or not, about whether new hires are covered by this secondment approach and so on. My

understanding is that ICANN staff who are after are running this implementation will take this on board and rethink the proposal for a uniform standard secondment.

Which was what was originally proposed, they heard the feedback and we now await something that's revised position based on this feedback and I suggest we give them the opportunity to do that, Trang is that consistent with your understanding? I don't want to put you on the spot here, but is that what you're expecting to happen just to confirm my understanding of it.

Trang Nguyen: Thank you Jonathan this is Trang yes I think that's consistent in terms of the next step, we'll take the feedback and the input provided via the CWG mail list as well as on the (IO-test) call yesterday as well as the feedback provided on today's call. I think what we recognize is that there is a lot of support to be approached that we have proposed. But we do recognize that there are some concerns that have been raised by the community, so what we will do is take all of those feedback and go back and think on it a bit more and then come back to the group.

Jonathan Robinson: Thanks Trang. Yes, I think I just would like to reflect accurately, there are quite a few concerns being raised, it's not universal but there are quite a number and therefore that does need to take in account of that. But that's good to here. All right, there's a couple of other wrap up items that I'd like to cover and I see we're losing people now so, just to wrap up this, some ongoing discussion about project costing and this is a bigger picture and it actually pertains less to the work of this group, but more to probably the work of the work streams to in a CWG accountability.

As to how effective budgeting and cost control is managed within these types of groups, so that work is going on. I don't think I have thing I'd like to raise

under AOB, if anyone else would like to raise something please do. Grace go ahead. In fact I did have a couple and I see on my notes I did, I'm just a little tired, it's the end of the day. Go ahead and I'm sure you'll cover for me on these ones Grace.

Grace Abuhamad: I can let you go ahead Jonathan and I was just going to mention a couple of points that you had in your notes. Mainly that there were be a meeting in Helsinki on implementation, maybe just important to alert the group about.

Jonathan Robinson: Correct, and I think we should -- thanks Grace -- and I think we should make sure we post that clearly to the list, there is a plan to have an updated meeting on where we've got to with the implementation. Mind, we haven't - I'm not sure we've talked about the detail structure of that meeting, although I have a pretty clear view in my own mind of what that will be.

But I'm expecting there will be an update on the implementation from staff and it will be attended by the, you know, the co-chairs and likely members of the OITF as well who will be on hand to have a discussion with the boarder community about the implementation and any questions or issues that are arising, so it's really an update and Q and A session on the implementation along the lines that we've been talking about here. So, we make sure we bring everyone along with us and our work.

Good, I do not believe other than that we have a future meeting ahead of Helsinki, we will need to think about what is necessary for future meetings and how intense those are as we ramp up the final stages of the implementation. As much as many of us might have of this work we do need to see it through to its final conclusion and so there will probably be a requirement over the forthcoming months to meet reasonably regularly and I guess we should just put you on notice of that.

Okay, it's been a long day for me, and I suspect for many of you, or at least a busy start to the day in some parts of the world, so let's call it a day there, stop the recording and thank you all for your attendance and participation.

Woman: Bye everyone, thank you.

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