

ICANN

**Moderator: Brenda Brewer
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Coordinator: The recordings have started. You may now proceed.

Grace Abuhamad: Thank you. Good afternoon, good morning, good evening everyone depending on where you are. This is the 83rd CWG meeting. It's now 1404 UTC on the 19 July. And I will turn it over to Jonathan who is chairing the call today.

Jonathan Robinson: Thanks, Grace. Hi, everyone. Welcome to the CWG meeting. Lise will be joining us shortly. She's got a delay and so I will chair this meeting. And I'm hoping and expecting that she will chair the forthcoming meeting on Thursday, 21 July.

As you know, from our previous meeting, and from our discussions online, we're entering a phase of regular meetings where we just – we want to assist the ICANN staff in their implementation work and make sure they can proceed to conclude this work as soon and as efficiently as possible.

Just to remind you, we are no longer running with the Implementation Oversight Task Force because we are running the high frequency meetings of

this group. We will simply use our main CWG group to try and bring the work to its logical conclusion.

And again, a reminder of our role in all of this and to ensure that the implementation is consistent with our proposal and to that extent and wherever appropriate we are relying on Sidley's advice, to some extent. And certainly my opinion, and I've discussed this with Lise and I guess was evident in that email she sent earlier, there is a limit to how much any of us have the expertise to delve into all of these contractual details.

And to some extent, we are relying on both staff in their implementation and Sidley in providing us with a cross check to make sure that the work is consistent and to the extent that there is a form of disagreement or an issue to iron out, a wrinkle to iron out, that is where the group needs to be involved. So I think it's important that we don't second guess the work of the implementation staff or indeed of Sidley but try and add value where there are any issues that need resolving.

We gave Sidley the go ahead to work directly with ICANN staff as they did with the CCWG on Accountability. And for the most part that seems productive. And I'm sure we'll hear if there are any issues with that. But that's the essence of it.

There are three public comment periods running. And you may hear more of that. I mean, it's a little inelegant in one sense and it's the articles of incorporation of the PTI, the governance documents and the PTI bylaws are not running entirely simultaneously. Their public comment periods have been kicked off at slightly different speeds at different initiation points. And that's partly driven by the view that the articles of incorporation need to be returned and dealt with in – as – at a higher or more early than the other documents.

But we will come to that, perhaps, as to how we try and synchronize that because there are issues with them being out of sync and we do need to make sure that, for example, there is a common purpose to both documents and there are other ways in which Sidley have advised us that they would like to see these synchronized so we may well come to that in a little more detail.

The open items, you – there are a series of actions that we had to deal with. And I don't know if it's possible to paste those either into the notes field or live on the screen. But we did have a set of open actions that needed to be dealt with. Thank you, that's helpful to have them there.

So ultimately the – oh, the plan is to submit comments on the pit articles of incorporation as part of our public comment submission. Ideally, we put a single public comment on the articles, which deals with the two points that are there but if necessary we will submit it. Right, there are two points, one of which is – deals with the purpose and there is one other point which are summarized in the table that you have recently seen. And that's to do with the threshold for amendments so there'll be two points that will need to be made there.

You have that table that I've just referred to, which is why that second action it struck out. There is work going on online and we can perhaps get an update as to the purpose of the CWG or the purpose expressed in the articles and bylaws.

There's a couple of instructions. There's an instruction to the client committee, which is complete. The redlines of the governance documents have been provided to Sidley. I've had the opportunity to look at them, others of you may have.

There's work in progress to produce the table on the RZERC – how the RZERC charter is being addressed and that will be dealt with a little in this call I think in the update from staff. And we plan to meet with the IETF trust directs and the IPR reps and Sidley next week. The IETF meeting is running in Berlin this week and so that made it difficult to schedule the meeting this week.

And the ICANN staff implementation staff now have posting rights to the client committee mailing list which was agreed on our last call. So that creates an opportunity there for ease of dialogue and interaction.

I think those were the main points I wanted to make in opening up the call. As I said, Lise sends her apologies and will be with us shortly, but I don't think we'll hold up the call at this point. At that sort of overview level, we'll get into various of the specifics in a moment. Are there any questions or issues that anyone would like to raise at this point?

Okay, seeing no hands raised I'll move us on then to the implementation update from ICANN staff and hand it over to Trang. I think we'll hear from you in a couple of other areas later, Trang, in terms of, for example, describing the process behind the intercompany agreement and the headers there but to give us an overview and make sure we're all similarly oriented let me hand over to you now under Item 2.

Trang Nguyen: Thank you, Jonathan. Hello, everyone. Brenda, if you could be so kind as to move to the next slide please? And next slide. Next slide. Thank you. We'll stay here for a moment.

In previous CWG calls, we have shared with you sort of the status using our dashboard slides. For today's call I'd like to show you this overall slide instead. This is the slide that we use to give an overview of all of the projects according to the three tracks. As a reminder, Track 1 has to do with the root zone management aspect; Track 2 has to do with all of the implementation items relating to the ICG proposal; and Track 3 having to do with implementation items relating to the CCWG proposal.

So as you can see there, we now have a few checkmarks and the checkmarks obviously indicate that the work is completed. During – in Track 1 the two items, the parallel testing as well as the RZMA have both been completed, and that's why you see those checkmarks there.

Now as I mentioned, there are – there is some minor work to be done to wrap up those couple of things. For example, on the parallel testing, we still need to do a summary report, if you would, of the process that was undertaken for NTIA, it's a typical type of report at the end of a parallel testing period that we have always provided to NTIA even in past parallel testing efforts. You know, so that's one remaining item to be done. But essentially the critical piece of completing the 90-day issue free parallel testing period has been completed.

And then also for the RZMA there's some follow up work that needs to be done such as getting the ICANN Board approval and the RZMA and moving forward with execution of the document. Those are all items that still need to be done. But the critical piece of reaching agreement with VeriSign and all of the terms of the agreement has been completed.

And then in Track 2, which is the track that concerned the CWG the most, as you can see there are a couple of items that we've checked off which

essentially are the agreements with the IETF and the RIRs. As you know, those were signed in Helsinki or during the Helsinki week. And as you can see there too, by mid-August we anticipate that we would be able to finalize quite a few more items in Track 2. We have several things that are in the works.

For example, the CSC, we expected that would be formed by mid-August. The Friday is the deadline for all of the appointing organizations to submit their candidates to ICANN so that ICANN can then forward them to the ccNSO and GNSO for final approval. So that's on track and we anticipate that the CSC will be formed by mid-August.

The RZERC, we anticipate initiating the process to ask the appointing organizations to start appointing members to the RZERC hopefully this week, initiate that process and then hopefully we'll have the RZERC also formed by mid-August.

The IANA operational escalation processes, that's just essentially updating of the current process documents and the team has already started to do that and is very close to finalizing those. So we don't expect to see any issues with finalizing that by mid-August as well and potentially even sooner than mid-August.

And then the naming service level expectations, or SLEs, which are the new metrics that the CWG Design Team A had defined. We have a call that is scheduled this Thursday with Design Team A and it has also been opened up to the entire CWG for those that may be interested in attending. On that call ICANN staff will present the data that we have been collecting for the last three and a half months as well as our recommended threshold for each of the metrics that has been defined by the CWG Design Team A.

And that approach is agreed upon approach with the Design Team A in Marrakech so that's moving forward according to the schedule that we agreed to with the DT-A in Marrakech as well. So we hope that we would be able to finalize that discussion with the CWG on the threshold and agree to the thresholds by mid-August.

So as you can see, we do – and then August PTI incorporation, the articles of incorporation for PTI, we expect the public comment period to close at the end of this month and to have the articles finalized and approved by the ICANN Board in time to file for incorporation prior to the August 12 date, which is the date that we have to submit the implementation report to NTIA.

So as you can see, we do have quite a few things that we would expect to be wrapped up by mid-August.

And then for those items that we know will take longer to complete, that's Number 1 is the naming functions contract that we'll be discussing a little later today. We won't be starting public comment period on that until closer to the first – the early part of August so obviously that contract will not be finalized by the time we have to submit our implementation report to NTIA. But, we would have started public comment period which hopefully would give NTIA some assurance that the process that there's line of sight for that and there is a path to concluding that contract before September 30.

Similarly, the intercompany services agreement is another agreement that we do not anticipate will be finalized by mid-August but we expect that there would be a first draft of the agreement circulated to the CWG for review before August 12. So again, that should be work in progress at the time that we have to submit our report to NTIA. And hopefully that would also give them line of sight into finalizing that agreement prior to September 30.

And then as you can see there, the last project that is going to take us probably all the way through the end of September to complete is the IANA IPR. According to the timeline that we saw circulated by the IANA IPR group, it looks like the – it looks like the anticipated timeline is to have the contracts ready and finalized by around mid-September, and that executions of the contract would take place towards the end of September right before the transition.

So that's currently sort of the long pole and intent if you would, in terms of the projects on Track Number 2.

And then for Track Number 3, which is the CCWG related work items, the majority of them we – as you can see, anticipate that we would be able to complete them by mid-August. The articles of incorporation, the public comment period, had closed and we are working on the staff analysis. And then the ICANN Board meeting during which the Board would consider and approve the restated articles of incorporation I believe is in early August so we'll probably have to push that out. But there's line of sight into that and we should be able to have that finalized by mid-August.

Reconsideration requests, it's just essentially updating of our process documentation to reflect the changes that are in the revised ICANN bylaws. We don't anticipate any issues with completing that by mid-August. The empowered community, as I mentioned previously, that's essentially making sure that there are support mechanisms in place in case of that needs to be triggered right after the transition. That's administrative work and we anticipate that we should be able to get that done by mid-August as well.

And then the last item on the list there at the very bottom, the implementation of the post-transition financial planning process, that includes everything so just the caretaker budget framework for the PTI as well as ICANN as well as the PTI budgeting process, which is under discussion with the DT-O. So I think we're probably a little more than 50% done there, but I guess that's a conservative estimate of the work that's – the amount of work that's being done.

And I would assume that that's something that we should be able to finalize sooner than middle of August because the input of that would need to feed into the public comment for the PTI bylaws which close on August 11.

So, Jonathan, that is it in terms of my update. I will stop here and see if there's any comments or questions.

Jonathan Robinson: Thanks, Trang. I see Olivier wants to come in with a comment or question. Go ahead, Olivier.

Olivier Crépin-LeBlond: Thank you very much, Jonathan. Olivier Crépin-LeBlond speaking. And thanks very much for this update, Trang, it's very helpful. I just have one point of clarification with regards to the actual length of the bars that we have there. I know that, for example, in the independent review process enhancements, the (intent to send) bar seemed to have lasted many, many months and now we've got 90%, which will last three months. I gather there is no proportionality at all, I mean, the two are unrelated, it's just that you've moved this piece of work until later, is that correct?

Trang Nguyen: Thanks, Olivier. Yes, well so let me explain the bars and the percentage – percentage complete a bit more for clarity purposes. Obviously the bars indicate when the project started and when we anticipate the end date would

be. For some of the projects it's a little misleading because for some of these planning work actually started before November, but since we only have space on the slide for the month of November of last year, you know, we started there but some of those projects had a start date earlier than that.

The percentage complete actually is an aggregate of all of the tasks under the – under that project. So for example, there may be, I don't know, 10 tasks under – I'm just making up a number – 10 tasks under the independent review process. Each of those tasks has an estimate of how much time and effort it would take to complete that task. And the role of what you see here on the slide in terms of the total percentage complete is an aggregate of the roll up of those individual tasks underneath each of the project.

So we may have five of the tasks being, you know, 90% complete but in terms of the weight of those tasks it's not – maybe it's not weighted as much of the five remaining tasks. But the five remaining tasks may have a shorter timeline to completion. So it doesn't necessarily indicate that there is, you know, 10 more months of work there for the 90% that's left.

Chuck, Olivier...

((Crosstalk))

Chuck Gomes: Did you want Olivier or Chuck?

Trang Nguyen: Olivier, did that answer your question or did you have a follow up before we move on to Chuck?

Olivier Crépin-LeBlond: Yes, thanks very much, Trang. It's Olivier speaking. I do have one small follow up. And thanks for the explanation, that absolutely makes sense.

Just on the topic of the chart itself, I gather this is not, I mean, it is a Gant chart in a way but do you foresee any tasks that cannot start until the previous task is finished or are we set for all of these tasks being able to proceed in parallel? And that was all, thank you.

Trang Nguyen: Thank you, Olivier. Yes, there are dependencies for some of the subtasks underneath some of these projects. And this deck actually has more detailed project plans for each of these projects. Brenda, if you can scroll through a few slides and let's get to – keep going, keep going. Yes, stop.

So this one is an example of such, you know, a project plan. This is for the RZMS and SLEs. As you can see there the dependencies are indicated by the arrows which means that those tasks have to be completed before we can start the next task. So that level of detail is provided here in the more detailed project plans that we included in the appendices of the deck.

Chuck, please go ahead.

Chuck Gomes: Yes, if you can go back to the previous slide? I have a follow up on Olivier's question and your response. The chart there shows that the independent review process enhancements won't be completed until the end of September, and yet I thought you said that all the CCWG tasks are expected to be done by mid-August. So I just wanted some clarification on that.

Trang Nguyen: Thanks, Chuck. Yes, I did miss that. I think that's one that currently we anticipate will take us all the way through to September. This is a bit of a – I don't know what the right word is, but unique or a project in that there are a lot of enhancements that are recommended to the IRP process, however the way that the bylaws are drafted there is what you would consider to be the minimum requirements versus maybe the future state of what was envisioned.

And I think this is going to be one of those projects where, you know, obviously by the end of September we'll have to have the minimum required in place. But the future state, the envisioned future state I think would probably take us past the September 30 date to complete.

So for example, the standing panel, that is the process that we could initiate before September 30 but the bylaws has - provides for a mechanism for us to move forward even if the entire standing panel is not seated. So for example, if we only have two or three seated we can still proceed with that and the bylaws does allow for that to occur. So it's one of those projects where I think, you know, we have to have the minimum obviously in place by September 30 but I think work will continue on that project post-September.

And with this project we're essentially sort of guessing and reporting on progress of the community. As you know, there is a subgroup within the CCWG called the IRP Oversight Team, I believe, IOT. That team has been - is led by Becky Burr and has been meeting to define the procedures or the IRP which is required to either continue to retain (ICDR) or a new vendor. I think the path that that group is taking currently is to review the current (ICDR) procedures and see what necessary updates need to be made to the procedures in order to bring them into alignment with the new ICANN bylaws. And then continuing to use (ICDR) in the immediate post-transition period.

So that team is continuing to work and continue to drive forward and it's not the work that ICANN is doing, we're simply reporting on the work of that group. And we're guessing here a little bit in terms of how much has been accomplished for this particular project. So that's sort of an overview of this IPR project.

Chuck Gomes: Thanks.

Trang Nguyen: Thanks, Chuck. Paul, please go ahead.

Paul Kane: Thank you, Trang, for a very high level overview. That was fantastic. I've just got a process question. I'd like to understand, and I apologize to esteemed colleagues on the call, but I'd like to understand what the role of the CWG is now with respect to the bylaws and articles of incorporation because you may have noticed in recent days there's been some correspondence on the mailing list. But obviously there's bylaws – sorry, articles of association are currently out for public comment.

Now, what is the CWG's role with respect to amending, changing, clarifying either the articles of incorporation or the bylaws? Or once it's out for comment, has the CWG's role effectively stopped? I would welcome some clarification.

Trang Nguyen: Thank you, Paul. And maybe I'll give a brief answer and then Jonathan or Lise, please come in as well as you see fit. So from staff's perspective, obviously, the way that we're carrying out the work is – and from a process perspective what we've been doing relating to all of the PTI materials is staff will prepare a first draft of the material based on the CWG proposal. That then gets circulated to the CWG to review and provide initial feedback on that first draft.

ICANN staff would then incorporate those feedback and then post for public comments. It's expected that the CWG can review – continue to review those documents while they're out for public comment and provide any additional feedback and input as part of the public comment process. And then after the public comment process, obviously it would follow the standard ICANN public comment process in that ICANN staff will summarize and analyze the

comments and then bring back to the CWG any comments received where it's unclear whether or not implementation of that comment would cause any inconsistencies with the CWG proposal.

So from staff's perspective, that is sort of how we're proceeding. And Jonathan and Lise, I don't know if you have anything else that you'd like to add.

Jonathan Robinson: Thanks, Trang. Look, that is my understanding. It's something we didn't sort of, I guess, set out as a process up front. And I think it's driven partly by the speed with which we need to work. I think in an ideal world we would be – had the CWG sign off on the satisfaction with the bylaws or any other document prior to it going out to public comment.

As it happens in the process, as you described, we're getting an early opportunity to provide input the work is iterated and then we have the further opportunity to put the input in during the public comment period. So it seems to me that it's imperfect but driven by the requirements of the time scale as much as anything.

Are there any other comments...?

Paul Kane: I appreciate that. I'm just wondering – I'm just wondering who approves – so the staff are doing a great job trying to capture the comments both in the public comment and also the CWG views. But is it the CWG that says yes, your articles of incorporation are in accordance with the proposal and that relates to the bylaws as well? Or is this another body?

Jonathan Robinson: No other body involved, Paul. So really I think in the end they'll come back to – staff will take the public comments, which will include our input,

incorporate those and offer them back to us for effectively a form of sign-off that they are consistent with the proposal and for that we will – to a lesser or greater extent, rely on assistance from Sidley as well as our own participants.

So Lise wants to come in here so let me give Lise the opportunity and then she'll be followed by Sam. Lise, go ahead.

Lise Fuhr: Thank you, Jonathan. Lise Fuhr for the record. Well, I agree with you on the process. And I think the way to actually solve that we haven't concluded finally on a strict process on this is actually to have ICANN staff help us by doing the – well they incorporate the changes and we can follow these together with Sidley on when they have the final draft. And then if there are any major inconsistencies or major changes we should be signing off.

But it has not been concluded finally that this is how we do. But I would think this would be the best way to do it as a way forward and not to be very strict but to be very flexible on a case to case to see how the public comments will change the actual draft. Thank you.

Jonathan Robinson: Thanks, Lise. Sam.

Samantha Eisner: Hi. This is Sam Eisner from ICANN Legal. I just wanted to confirm that for the PTI articles and the bylaws that the ultimate place of approval is going to be the PTI Board. So we're talking about the CWG's work and confirming that the bylaws and the articles that have been developed are consistent with the proposal and we know that the CWG has provided some additional inputs that many of which have been incorporated into the bylaws during that review with Sidley.

And then it's actually the PTI Board and then also the ICANN Board as ICANN will be the member of ICANN to help move this process along, the ICANN Board will also have a view over each of the – those two documents as well.

And so I think we do have to recall that it's the PTI Board that – and those board members that will hold fiduciary duties to the new PTI organization that is anticipated to serve not only the naming functions through the PTI ICANN naming function agreement that's being developed, but also the other parts of the community through the subcontracting will have to make the ultimate decision about the acceptance of the bylaws.

Jonathan Robinson: Thanks, Sam. That's a helpful and timely reminder. And I guess it's also then – it's worth going back to the beginning of the cycle and recognizing that at the drafting stage there is direct interaction between Sidley and ICANN Legal so you've essentially got drafting followed by release of key terms and/or first – early drafts of documentation to CWG, initial feedback loop, reworking with feedback, then posting to public comment, taking public comment feedback including from the CWG, reworking, bringing back to CWG and then ultimately approval by PTI Board.

So that's – it may even be worth given the question and given the context, it might even be worth, Trang, and Sam, putting some kind of little flowchart together on that as part of the implementation slides.

Trang Nguyen: Thanks, Jonathan. We'll – we've prepared a few process slides in the past to share with the IOTF. We'll revisit those and see if we can maybe update them to reflect the current process and potentially share it with the group.

Jonathan Robinson: Thanks. Paul, I'm not completely sure I understand your chat comments so maybe you want to come back in on the mic and explain it.

Paul Kane: So I welcome the opportunity for clarification. So before Sam's intervention I sort of got it, namely the CWG had a proposal, the members did their best to come up with the formation documents, assisted ably by ICANN staff, there were public comment and then it came back to the CWG for ratification to make – CWG members to make sure that indeed that the proposal had appropriately been captured by staff's good endeavors.

Now I understand it is the – in light of Sam's intervention – it is the Board of a company that has not yet been formed is approving its own incorporation documents, which you recall from a governance perspective, seems a bit weird. And that's why I'd welcome further clarification.

But certainly when you, Jonathan, introduced it initially it did make a lot more sense, namely ICANN working with Sidley and ICANN Legal came back with an interpretation back to the CWG members for approval and then that in itself triggered the formation of the entity and the appointment of the Board members who then, as Sam rightly says, have a fiduciary duty to the entity that has recently been created.

So I understand that part, I'm just a little confused with respect to ICANN approving an entity or approving an interpretation of the CWG's considered opinions. But without really having the CWG sign off on it.

Jonathan Robinson: Okay – the process I described I don't think changed at all during that. The question is, is there an ultimate requirement from the – who has the ultimate authority to accept these as the PTI documents? So, Sam, if you – I mean, is that the requirement that the Board – that's interesting. Who has the legal

responsibility to essentially incorporate PTI and sign off on PTI's formation documents? It feels like, I mean, from where I stand it feels like either ICANN Board or an ICANN Board delegated to the PTI Board, as you said. But that's different to the process but it's the ultimate legal responsibility to – and I would hope that that's a step that's taken simply on the basis of the fact that the due process has been followed in advance of that.

Trang, you want to come in and then, Sam, you may want to come in again after that.

Trang Nguyen: Thank you, Jonathan. You actually said it exactly how I would go into highlight it is we're talking about two different processes here. One is the legal and formal approval of the articles and the bylaws, which is the fiduciary duties of the PTI and ICANN Board. But there is a process that leads us up to the final document that the ICANN and PTI Boards would then formally approve. And that process is – where the CWG is involved in that process is I believe just ensuring that the staff-led, you know, drafting of the documents are consistent with the CWG proposals, you know, and that's with the assistance of Sidley of course.

So from a process perspective I think we're talking about sign off of the articles and the bylaws and other documents as being consistent with the CWG proposal. And I think that's obviously the responsibility of the CWG with the assistance of Sidley, and ICANN staff as needed. And then there's the legal and formal approval of these documents, which is the responsibility of the PTI and ICANN Board.

So, Paul, so with regards to your latest note that CWG sign off and requests ICANN formally incorporates. Well the CWG signs off on the documents the request that ICANN formally incorporate, that's going to be the ICANN

Board's job. When we present to the ICANN Board the set of final articles of incorporation that's been signed off either by – or agreed to that it's not inconsistent with the CWG proposal, that would then be presented to the ICANN Board for approval and the ICANN Board would then direct staff to move forward with the incorporation process.

Jonathan Robinson: Thanks, Trang. And I note, I mean, I think – I hope we're on the same page. And as I say, the only way – because noting Sharon's comment which Paul has agreed with that the ICANN and PTI role is essentially a formal step at the end of the process. So I hope we have a common understanding and Paul seems to confirm that in the chat.

I think it would be useful to document it in some kind of flowchart, as I said a moment ago, because it just gives us the opportunity to buy into the process as much as anything and I don't want us – if we do appear to agree or at least have a common understanding of it we shouldn't spend too long deliberating it. But let's bear in mind that we do have other calls coming up shortly so if we do have that to review we can, in a sense, confirm it at the next meeting.

I see your hand has come up, Chuck, so please come in.

Chuck Gomes: Yeah, I wanted to wait until we resolved that and I think we have. I just want to back up to Trang's commitment for staff to create some diagrams with regard to some of the last steps. And she – this may be what she has in mind or maybe they already have a chart in this regard. But I think it would be really helpful to have a very detailed and concentrated timeline for the end of the public comment periods so that everyone in the CWG understands the very tight timeframe and responsiveness that we will need to have in like, I don't know, it's probably a two or three-week period, I don't remember the exact timeline.

But full understanding of the responsiveness that the CWG is going to have to have after the public comments in, they're analyzed and then in case there are any issues we're going to have to be very responsive to that so a detailed and concentrated timeline for that short period I think will be very helpful.

Trang Nguyen: This is Trang. Thanks, Chuck. Will do.

Jonathan Robinson: Okay thanks, Chuck. That's helpful. So I think that sets us up with a common understanding of the implementation. And an opportunity to move then on to Item 3 which is the key issues with the help of Sidley, which have some substance to them.

Now as it turns out, at our last meeting, we asked Sidley to assist us by preparing a table of the key issues, a table that contained or both those issues, the two issues, with the articles and the remainder with the bylaws. It strikes me that we could utilize the time available well to work – walk through that table and start to discuss the substance of the key issues and get some input on those.

We have in the meantime also seen the PTI governance documents and Sidley have been provided with redline variants of those as have all of you. So that really I think my initial read of that was I looked at those redline documents and they did seem to be substantially similar at first view to the existing documents. So I don't currently anticipate those are going to cause us significant issues. Whereas I think it would be very useful to walk through the headline points on the articles of incorporation and the bylaws.

The other thing we need to do is be aware of the naming functions contract, which a draft has been provided on that. I expect from memory that Sidley

have not had the opportunity to look at that properly at this point. And staff have provided the intercompany agreement headers. So it would be useful to hear from staff at some point in the next while as to their rationale and thinking behind the preparation of the naming function – naming function contract and the intercompany agreement. So that'll be one key area.

But I think first let's perhaps focus in on these articles of incorporation and the bylaws, have a walk through those and try and create some time at the end to make sure that we do hear from staff on those other two issues. And I think if we can deal with that, although there are other items on the agenda, we'll try and accommodate that, that's the more meaty issues that need to be looked at now.

So unless someone disagrees with me, and if you feel I've missed something let me know. But those are the substantial points I think that we really need to cover at this stage on this call. So Sharon, do you feel able to talk us through and walk us through that table? I hope I haven't surprised you unduly. But let me know if you think that it's possible to do so and to tease out together the responses that we might get from the group on those.

Sharan Flanagan: Hi, Jonathan. No, that's fine, I can walk you through that chart. It's largely that we talked about last week but now you have it in front of you so I think it'll be a little more helpful. So let me just start with – I'll start with the articles. There are two points there, and obviously the articles we've got a comment on those more quickly, I think the closing of the public comment is I think July 30.

So there are two things there. First is purpose, the purpose of the PTI. This will appear both in the articles and the bylaws. We had language in there that referenced the – referenced ICANN, and I know there were some view that

that was not the appropriate purpose. Just a further clarification on that, in order for PTI to be a tax exempt organization in the US, it needs to be a supporting organization and to be a supporting organization we need to include these magic words that refer to the purpose of the PTI being to operate for the benefit of, perform the functions of and to carry out the purposes of ICANN.

But what we can do is we can add language before we use the tax magic words that are more specific and that are more tailored to the PTI purpose. And I understand you all have been discussing that in email. We haven't seen any output from that so maybe Jonathan, I would ask you to just if there's anything to say on where that stands.

Jonathan Robinson: Yes, I may not be – I think Greg has been leading the discussion on the wording for the purpose so it may be that that's best coming from him. I'm not sure I'm actually prepped to give a – I haven't looked at it in the last few hours to see where we are on that to be honest.

There is one other thing I'll say, Sharon, while I've got the mic, and it's worth highlighting I think, the point that we discussed at the client committee meeting and that is the desirability of synchronizing the input on the articles and the bylaws and getting that in the mind of the group as well.

Sharon Flanagan: Yes, let me speak to that and then I will turn it to Greg to talk about the substance of the purpose. So on the articles and the bylaws, the comment that we had raised on the client committee call is that articles and bylaws of a corporation are very much linked. And we understand that you don't actually have to have bylaws in place in order to form a corporation. But nevertheless, the two documents go together hand in hand.

Purpose is one example of where we want the documents to be consistent. The ability to amend the documents is another example. So we expressed some concern that the articles were getting too far out ahead of the bylaws and that the idea that these articles would get filed with the state of California and the entity would be formed before we really know where the bylaws land, caused us some concern.

And part of that concern was that at other steps along the way when documents get finalized they get locked in and then when we have issues that, you know, that reference back to those documents we're told, well, those documents are final and nothing can be done. So that was where we had some concerns.

I did see the comment that came from ICANN yesterday saying that the articles will not be locked in and even if they're filed that the people are open to amendments. That helps alleviate some of that concern because I do think it's critical that we not consider the articles absolutely final when the bylaws are not yet completely final.

Okay with that let me turn it over to Greg to talk about the purpose.

Greg Shatan: Thanks. It's Greg Shatan for the record. I wouldn't necessarily say I've been leading this discussion but I've at least been following it. So in trying to be somewhat more specific rather, you know, after the statement of the specific purpose of the corporation is to operate exclusively for the benefit of and perform the functions of and to carry out the purposes of the Internet Corporation for Assigned Names and Numbers, ICANN, and putting something after that.

There have been a couple of different suggestions floated out there. Chuck suggested putting at the end of that phrase, “related to the IANA services.” There are – I followed with a suggestion then there were a couple who seemed to think that was a good idea. Then I suggested that we need something more specific than just related to the IANA services and noted the IANA services is a term of art, not defined and perhaps, you know, thus to be avoided at least as a matter of good drafting if it’s possible to avoid it.

And suggested that we could use the statement of purpose that’s in the current ICANN articles as a jumping off point. And, you know, taking out certain things which are clearly being done by ICANN but not IANA. And complete the sentence by saying namely, one, coordinating the assignment of Internet technical parameters as needed to maintain universal connectivity on the Internet; two, performing and overseeing functions related to the coordination of the Internet protocol address space; three, performing and overseeing functions related to coordination of the Internet domain name system; and, four, overseeing operation of the authoritative Internet DNS root server system.

Andrew Sullivan responded, “I think you are rapidly walking into angry terminological disputes that will delay the incorporation of PTI. What about saying something like, “relating to certain Internet registries and certain Internet domain name system zones consistent with ICANN’s mission or something like that?”

Chuck then responded that Andrew’s suggestion works for him. And that’s where the conversation stands at the moment.

Jonathan Robinson: So, Greg, it’s Jonathan. I think – I’m sorry I sort of dumped you in there a little bit. I hadn’t realized that – I sort of – but it does strike me that this is

work in progress, Sharon and Greg. So in a sense, I mean, I think from the purpose – for the purposes of this call really the key is just to recognize that the CWG is working on a response to that purpose, and we seem to be making reasonable progress online. And I'm not sure it serves us well to spend a lot of time trying to workshop that now. I will pause to see if you feel differently.

But it feels to me like what we really need to do is try and capture with the help of anyone taking notes on this, any substantial inputs in particular where there are substantial questions. So here, the substantial question is, we know we need to beef up the purpose and that's the work that needs to be done and is being done at the moment.

So I'm not sure how much more we can reasonably do on the call, but if others want to come in on that feel free to provide input. And I see, Chuck, your hand is raised.

Chuck Gomes: Thanks, Jonathan. And first of all let me thank Sharon for the clarity she gave because it's important to understand that some magic words need to be in there for California law. So that's accepted.

But I'm not sure that those of us in the CWG are the right ones certainly, others are more qualified than me like Greg, but I wonder if Sharon can help us, you know, address the concern. I think if we try to continue to wordsmith we're going to still need that legal expertise so that the magic words aren't compromised in any way.

And I think it – my suggestion is that if the cochairs agree to ask Sharon help us fix the language to address the concern. I agree we shouldn't try and fix it on this call. But rather than just continuing the dialogue on the list I think some legal help here would probably solve it fairly quickly. I don't think it's a

complicated thing we're trying to do. And without the legal expertise we may compromise the magic words that need to be there. So that's my suggestion.

Jonathan Robinson: Thanks, Chuck. I think that's helpful and practical. And to that extent I think, you know, any help we can get at this stage, I mean, this is all getting quite technical and into the final yards. And to the extent that Sidley can help us with suitable language that we can then work with to either sign off on or ask for changes to will be helpful in this regard.

Greg, I see your hand is up. And, Sharon, yours was but come in any after Greg in any event, Sharon. But, Greg, go ahead.

Greg Shatan: Thanks. I agree that we're, you know, kind of trying to workshop it on this call is not going to be the best use of this call's time. But a couple of thoughts on process, one, I don't think now that Sharon currently has visibility into the back and forth on this particular question so I would propose adding her specifically to the thread on which that is being discussed. Because I think that, you know, it's going to need to be collaborative.

Sharon can help us shape this the best way it works for a legal document, but, you know, is not going to the world's foremost authority on the IANA functions. And so we can have, you know, a little bit more back and forth on the list, you know, before we kind of bring this back to the group or rather the group can watch it as it is the CWG Stewardship thing, but if Sharon can kind of help us mold this.

And, you know, one specific thought and question is whether it's appropriate, especially given the way PTI is being formed and the, you know, separability possibilities of each of the three communities that in some fashion the purpose

should express the tripartite nature of the IANA functions, you know, for each of the three communities.

I think the language that I took out of the articles might do that but as Andrew noted it also gets into a – into some language issues that we dealt with at length and the CCWG Accountability don't need to deal with again here. Andrew's language may not neatly in any way allow for, you know, visibility into the kind of three separate streams of work.

Another way to think about is if we do the purpose now and one of the three communities opt out, shouldn't the purpose – shouldn't it be clear how the purpose would be changed if, for instance, protocol parameters decided to take their IANA function business elsewhere, how would you change the purpose and is it clear that the purpose shows, you know, in some high level fashion what is being done for that community. Thanks.

Jonathan Robinson: Thanks, Greg. I understand two things there. Well, first of all, I mean, my understanding is that the purpose is not immutable. And maybe someone can help me with that. The purpose could be changed, in principle, over time if – to address your last point. If that became necessary through an obvious and clear change of circumstances.

And again go back to my point that I made at the beginning of this whole meeting. We've got to be – I mean, the CWG has got to give the relevant input where required. But to the extent that we can either take up Sidley's assistance, and/or that offered by Sam in the chat with ICANN Legal, I mean, I think if there's a concern expressed and it can readily be resolved an alternative proposed to the CWG, in many ways my sense is that we should be trying to sign off on either say something is inadequate and then sign off on an improved version.

If we are required to provide more substantial and complicated input then so be it, but I'm just very conscious we're at the sort of – at a point in the process where even with our high intensity meetings we've got a limited number of meetings to try and achieve quite a lot. And so thank you, Chuck, for supporting that.

I think to the extent that we can get ICANN Legal and Sidley to work together to address the concerns raised in this table, and provide forms of wording and help us move on in any of these, will be very helpful. Let me hand back to you, then, Sharon.

Sharon Flanagan: Thanks, Jonathan. And I think the structure that Greg is proposing that Grace posted in the chat is the right structure, which is to reference the supporting organization language and then say, you know, specifically and then go through the list of what the specifics are. So we can help work through the language but I think structurally that's the right approach.

Okay well the next item is the amendments of the articles. And this is an Item 2, I don't know if we have scroll function, yes, looks like we do. Okay so Item 2 is what's the standard – what standard is required in order to amend the bylaws? And we had come back and said that we thought 4/5 of the directors would be appropriate. That would, by definition, include at least one ICANN director and at least one Nominating Committee director.

And we thought that the original request that all of these higher threshold items required both Nominating Committee directors would give too much power to the Nominating Committee directors because one director could block all of the key actions. So Question for CWG is if that is acceptable.

Okay, I don't see any – yes, I see – excuse me, I see Cheryl with a checkmark. I don't see anyone raising their hand with objections and I see Chuck and Paul coming in on chat supporting that. Okay good.

All right so that's the articles. So I think really the key here is in terms of process to be able to comment on the articles in time for the closing of the public comment period is to resolve the purpose. We would also attach to the comment letter the more minor comments that we had provided earlier as a redline, but those are I think fairly minor.

Okay so then let's move on to the PTI bylaws if you continue to scroll down. The first issue here is the principle office. And this came up on the last CWG call which is whether or not the principle office of PTI could be moved out of California. And I think it was suggested on the call last week that we could consider the approach that was taken to this issue in the ICANN bylaws and you can see the language is posted here in this chart which says that the principle office will be in Los Angeles, California, and that here PTI could have a different additional office from time to time.

And we thought that maybe given that there'd been some work done in the ICANN context maybe that would be good to just borrow that concept. Anyone have any comments on that? Okay. Seeing none I will keep moving then.

Number 2, and this is the purpose again, so that is – we just already talked about, we can skip that one.

Number 3 is another purpose issue for the bylaws and that is the Annex C items. As you probably recall there was discussion about including portions of Annex C from the CWG proposal in the PTI bylaws themselves, and there

was some concern raised that some of those concepts were inconsistent with the proposal and also difficult to implement through bylaws. I don't know if there's been any more discussion on that. We did include the two clauses that ICANN Legal was suggesting to capture some of the principles of Annex C without getting into some of the more detailed language.

Okay I will then keep going. Going on to Number 4, which is director qualifications, this was the question around diversity. And the comment the CWG had given back to us was a request that diversity be looked at as between the two Nominating Committee directors and then as between the two non-president ICANN directors, each group being looked at separately. And the thought there is that's it's difficult to come up with diversity when you're looking at two people. And would it be more appropriate for the nominating committee – in looking at their two nominating committee directors – to look at the overall diversity of the five. And with the goal of enhancing diversity. And so that's what's reflected here in the comments.

Okay. I'm going to keep moving then. Number Five on the list is the Chair of the Board. There had been a comment that the chairperson of the PTI should be selected from among the two nominating committee directors and the comment there was is that too restrictive? Would there be an excellent chair who couldn't be engaged because he or she was not one of the non-com directors. And the thought was – you know – do we have other protections in place that avoid the need to ensure that the nominating committee be also the chair? I see Paul's hand up. Paul.

Paul Kane: Just a quick question of clarification to diversity, your previous point. It's very, very important that rather than focus on politically correct, we get people that are technically or who are managerially responsible. And I'm wondering if it's possible – that whilst diversity needs be considered – and on

the same, I'm very aware the first two external directors are from the European region. But they are selected on merit. Not on geographical location.

I'm wondering if we can weaken the diversity angle or if it's consensus. I haven't been following it and I apologize. But I would follow all the competent people were involved. Picking people who are either not passionate about it or not willing to commit the time. Albeit they come from the right geographical area. Thanks.

Sharon Flanagan: And Paul – in the language – the diversity language does reflect geography, culture, skills and experience and perspective. So it is a more holistic view of diversity. I don't know if that addresses your concerns.

Jonathan Robinson: Sharon. It's Jonathan. Let me come in here as well. Because I too – like Paul's concern – I think – first and foremost, the criteria for selection would be that the candidate was appropriately qualified. And -- if and only -- if the candidate or candidates were appropriately qualified, does one then apply a diversity criteria. In addition, I don't think its diversity trumps effective qualification. So this in addition to, rather than a substitute for appropriate qualification.

Sharon Flanagan: Paul, is that a new hand? No. Okay. Okay. Yes, and I think that's clear already. Obviously all members of the board have to be qualified just in general. I think this is meant to be an additional qualification which is to say in overall we'll look at diversity across all those different characteristics.

Okay. Well, let me move then. So we were talking about Number Five, the Board Chairperson. I didn't see anyone with any comments about removing that restriction and then just allowing the chair to be whoever the board

decides is best suited for that role. And recall that the president is not qualified to be the Chair. It would have to be one of the other directors.

Okay. Number Six is the terms of the directors. And we had advised that in California, you can have anywhere between one and four years as the term. You had recommended two years. The comment that came back from ICANN is that the term of two years – and given that these terms are staggered – means that every year you're constantly having like an onboarding process. And that could be disruptive. And would not ensure the smooth functioning of the board.

So the question was whether a three-year term would be acceptable. Anyone have any reactions to that? Okay. Don't see any hands on that. Okay. Next is term limits, Number Seven. And that is – the provision is that the nominating committee directors may serve for no more than two terms. And the question was is that also too restrictive? Will you not get the benefit of the experience of someone's who's having served on the PTI board for a number of years?

We did note that in the ICANN bylaws, there's a three term limit. And so that's a concept that could be borrowed if people were comfortable with that. So three year terms with no more than three consecutive terms. Okay. Seeing no objections. Okay. Chuck comments in the chat, if the terms are three years, then two-year term limit is good. So a total of six years. If we extend the term, maybe we keep the two term limit. The two – you know – consecutive periods. (Paul Kane)'s supporting that as well. Okay. All right. That sounds like there's some consensus there.

All right. Number Eight is the topic we've already discussed which is when do you need super majority approval of the board? This is the fourth (sift). So that's the same point. I won't go over that one again. Number Nine. Let me

just look at the chat for just a minute. (Donna) comes in. The three-year term is consistent with the ICANN Board of Directors. Okay. Thanks (Donna). All right.

Number Nine is board fees. There was a question whether this was – and it sounds like maybe this wasn't even intended. But as the feedback came back from (CWG), it was that expenses could be reimbursed for the nominating committee directors. But not the ICANN nominated directors. And the thought was really should this be consistent. All directors are reimbursed for their expenses. Not compensated otherwise. But everyone has the same treatment.

And we thought that made sense. Okay. Number 10. Board Committees. The establishment of Board Committees has a higher voting threshold. It's the (four fifths) issue and that's the same as (Unintelligible) discussed earlier.

Number 11. The budget and the strategic plan. I don't think we have anything to add there. I think we all note that there's a little bit of a timing issue around the 270 days. Is there anything Chuck, you want to come in on this with? Okay. I don't see Chuck coming in. So we'll just maybe we'll...

Chuck Gomes: Sorry about that. I was on mute. I was talking to myself. So yes – I think – that'll be close to resolution later this week. We have a (DTO) call on Wednesday – on tomorrow. And (Xavier) and his team are going to have some suggestions in terms of how to deal with this. I think – (Xavier) and I talked in Helsinki. And I think we're on the same page. And I think it's all solvable. And – I think, hopefully – we'll know more after tomorrow. But – I think – we'll be able to resolve this one. And so that the (CWG) proposal matches the process. And, again, I don't think that's a hard thing to do. And (Xavier) seems to feel the same way.

Sharon Flanagan: Thanks Chuck. Okay. The last item is amendments and so what's the vote required to amend the bylaws? And that's the same issue. The four/fifth's issue. So I think we have clarity on that. I think that's all we had on the articles and bylaws. I'll turn it back to you Jonathan.

Jonathan Robinson: Thanks Sharon. That was an efficient tour through those. So I – I guess – the question – in my mind from a practical point of view – is how do we populate this table with a – with the content of this discussion. Because, ideally, we then bring the table back populated with the discussion. And get agreement that this was the (CWG)'s view. And that really sets us in (unintelligible) really then to provide appropriate – it's the basis on which the relevant public comment note can be dropped. Sharon, your hand's up. So come back in on that.

Sharon Flanagan: Yes. Jonathan. I'm just wondering if we wouldn't go straight to the draft comment letter. I think we understand the direction other than the purpose which is open. And then potentially one timing issue on the budget. I think it might be more efficient to just go to the letter, but defer to you.

Jonathan Robinson: Yes. That seems perfectly sensible. And then we can use the title of the device to flush out the issues. But we don't need to necessarily go back to it. If there are no objections – from the group – than seems sensible to me. And, in fact, we could then – in principle – be looking at that (draft) comment letter - one of the two next forth coming meetings.

And also – I think – that will help us with potentially synchronizing that input with the input on the articles.

I guess – since they are two separate public comments Sharon – this is thinking off the “top of my head.” One thing we will need to do is probably put in two different comments. So that we will be clear. They will need to be synchronized. But – if we work in that way – we should be able to do it well in time to meet the public comment deadline of the articles. We should be able to put in the comment for both, I think, by that deadline. Sharon, go ahead.

Sharon Flanagan: Yes. Jonathan. I think we’re envisioning two comment letters to deal with the two different comment periods. So we can – we’ll draft the article comment letter. And then the (bylaws) comment letter. And we then we just – in the (bylaws) comment letter give the purpose which will just be carried over from the articles comment letter. We’ll just leave that as a placeholder now.

Jonathan Robinson: Okay. Great. So that’s sensible. Thank you. So given that we’ve dealt with all of that and given that the header -- to this section – talks about dealing with annex fees. And Paul has asked about that in the chat. Maybe that this is the right time now to move onto that. And understand where we are with that. And agree where to go forward.

Now, my recollection of where we’ve come from and where we are as we had the annex fee. We talked about where that might be accommodated in the incorporation documents. There was the possibility of – hopes of incorporating those concerns in the bylaws. The intercompany – sorry. The Naming Agreement or both. I think (Sid Lee)’s initial vote was that could be accommodated by the Naming Agreement.

But then there was requested it would be (all around the step) would somehow be stronger if it was in both the bylaws and the naming agreement. Then there was pushed back from – I believe – ICANN legal. So it’s more appropriate in

the Naming Agreement. And that's where it currently stands to be proposed to be incorporated. Have I sketched that out accurately?

And is there any difference of view on that from either (Sid Lee) or ICANN legal or anyone else? And, if so, -- I guess, then -- ideally -- if that is the case -- we should look at how it is incorporated. We should hand over to staff to hear how it's incorporated in the Naming Agreement. And perhaps the question comes up then. Because, sequentially, that's where we intend to go now. And -- at the same time -- we can ask the question as to why it should or should not or how it -- or should it be in the bylaws. Trang, do you intend to address that as part of your tour of the Naming Agreement?

Trang Nguyen: Hey Jonathan. This is Trang. No, I was not intending to go to that level of detail on the Name and Functions Contract and into company Services Agreement. I was mainly going to explain how the documents were constructed. So -- I think -- if we want to have a separate discussion in (NXC), that should take place separate from the update I'm going to give on the Name and Functions Contract and the Company Agreement.

Jonathan Robinson: Why don't you give us those updates now. And then we'll take that -- we'll take a cue to come back in on this on the where and how we incorporate the accommodation of (NXC) after that. Because that seems like the right sequence. So why don't you comment on the naming function in the company agreement. Give us your background on that and we'll see where we go from there.

Trang Nguyen: Oh. Thank you Jonathan. Yes. And (Brenda) -- for this discussion -- could we first load the (NX S and E) mapping table? And while (Brenda) is loading that, just a reminder to the group that we have built a (unintelligible) to the (CWG) and a speed chart that indicates how each provision -- I guess -- of the

annex is either incorporated or not incorporated and the reason why. So perhaps that is something – you know – Paul that maybe you could review if you have not had a chance to do that. And then, if there are any specific questions regarding – you know – any of the items in that (NXE) table, then perhaps we could bring that up for discussion.

All right. So we've got – I will move on to the review of the Naming Contract. I think that we circulated a draft – a first draft of the Naming Function Contract as well as the Intercompany Services Agreement. And we like to just provide you with a quick overview of how the Naming Functions Contract was constructed. With the hope that it will help you in the review of the document. What we have shown you here is not the contract itself, but a mapping table that we did of the various provision with the (NXE) and the (NXS) of the (CWG) proposal and how matches the various sections within the Naming Function Contract.

So as background, the Naming Function Contract was constructed mainly – and most importantly – it consists of a (CWG) proposal. From that perspective, we started with a base from (NSE) and (S) of the (CWG) proposal. As you can see there on annex E with title IANA contract provisions to be carried over, please transition. And then – in parenthesis statement of worth. And then the title of (NHS) was draft proposed term sheet. And then in parenthesis, as proposed by legal counsel.

So you think those two (NSE)'s as a base document, what we then did was review each of the provisions from these two annexes specifically. And we did either one of three things. Either we carried over exactly the provision. Because the provision was consistent with the (CWG) proposal as well as to the post transition environment.

Or two, we carry it over -- with some modification for relevancy -- for the Name and Function Contract. As you know, a lot of the provisions that are in the current IANA contract deal with all three IANA functions. In some instances, we had to modify those provisions for relevancy to just the naming function. Or the modifications was made to reflect current practices. And a lot of provisions that are in the IANA functions contract it talks about standing up systems and processes and development of reports, et cetera.

And, of course, their systems and reports -- in many cases -- are already in existence. So the language was updated to reflect current practices. And then in some instances (some of them) was also updated to be consistent with the post transition environment. So -- for example -- instead of detailing the specifics of the reports that are detailed in the current IANA functions contract, what we actually did was just make references to development of the report formats with the (CSC) and comply with whatever format is agreed to between PTI and the (CSC) wanted these forms. So that type of changes.

Or Number Three, what we -- it is possible that we did not carry over the provision. Because the provision is already being addressed elsewhere, such as in the resuming change agreement or the PTI conference interest policy. An example would be there are a few provisions are in the current IANA functions contract that deal with conflict of interest. As you know, PTI will have its own conflict of interest policy.

So a lot of the conflict of interest provisions would not carry over because obviously PTI would be governed by its own conflict of interest policy. And in addition to the provisions in these two annexes, we also reviewed the PTI bylaws and made sure that we carried over any appropriate obligations such as the separation clause, community working group recommendations if they are approved by the ICANN board. So we carried that over into the name and

function contract. We also carried over things such as the requirement for PTI to prepare and submit to ICANN an annual budget that does reflect in the PTI bylaws.

And then we also specifically made a commitment in the Naming Function Contract that ICANN provide the necessary personnel, material, equipment and services and facilities for PTI to perform the obligations under the agreement. So any of – you know – those types of obligations are required in the PTI bylaws as appropriate to be carried (over) Naming Function Contract. We carried them over. We also added -- to the Name and Function Contract -- an annex that contained all of the service level expectations that were defined by the design team A. That table is blank.

So right now it just has the metrics that were defined. And then – once the threshold for these (SLE)'s are agreed to with the (CWG) then – we will insert them into the annex. And then finally, we rounded out the agreement with some of the standard contractual terms. You know, there's a notice of section, there's some language around the assignment and subcontracting et cetera. Just all of the provisions that are pretty standard to a contract. So in a nutshell, that's an overview of how the Naming Function Contract was constructed.

As I mentioned, this mapping table should give you an overview of – you know – how the provisions were carried over. And what, if any, changes were made to each of the provision. The document is quite long. I don't think I'll be spending time on this call to go through every single item. I think it's a helpful tool and certainly is worth for the (CWG) to read through. And then – if there are any questions or concerns – then certainly they can be raised.

And then on with regards to the Intercompany Services Agreement, (Brenda), would it be okay to ask you to please load that. The – one of the issues or

concern that was raised previously by (Sid Lee) was whether or not the Naming Function Contract should be combined with the Intercompany Services Agreement. And so the purpose of providing the header sections for the Intercompany Services Agreement is to provide some visibility into what would be contained in that agreement to (unintelligible) reviewed it once. But the (CWG)'s review – we believe that the two should be separated, as you will be able to see, the information that will be contained the Intercompany Services Agreement are more operational in nature.

It mainly defined what services will be provided by ICANN to PTI. There will be a cost-related session where the cost of those services would be (towed) out – you know – their facilities and things like that. So it's of a lot more operational in nature. And we think it should not – it should be separate. And not subject to the same sort of amendment rigor as the Naming Function Contract would be. Mainly it's just for operational flexibility. It's a document – that over time you know – should be able to be amended between ICANN and PTI to ensure the proper functioning of PTI to be able to perform obligations under their Naming Function Contract.

So I think you have to go (control). And you can kind of go through and look at this document. If there are anything that's reflected in the Intercompany Services Agreement, that they CWG believes would be significant and should be subject to the rigor of the amendment process. That's something that we should – that should be flagged. And then potentially be inserted into the Naming Function Contract instead of residing in the services agreement. We don't think there will be. But – you know – would be open to any such review and flagging.

Just reading the comments in the chat real quick. PTI will perform the IANA functions on the behalf of ICANN sounds like it mainly was for the purpose

discussion. Okay. So that is it in terms of a quick overview of the two agreements. And I will stop there and see if there are any questions or comments. Thank you. Okay, seeing no hands up or in the chat, Jonathan, I will hand it back to you.

Jonathan Robinson: Thank you Trang. Just coming off mute on the phone. So that gives us a decent flavor of the motivation background to the preparation of those documents. Are there no other comments or questions on those at this stage? I would appreciate confirmation as to where we are – as I said in the chat – the incorporation of Annex C. My understanding is that that’s now the provisions or guidance given there will be incorporated into the naming agreement as opposed to the bylaws. And that’s the intention. Is anyone able to confirm that? I know Paul has dropped off. Sam, go ahead.

Samantha Eisner: Thanks. This (Sam Eisner) from ICANN legal. There was – when (Sid Lee) was providing the CWG with copies of the PCI bylaws for CWG review, one of the documents that was provided was some reactions and notes to the language that had been proposed to incorporate some of the annex fee items.

So (Sid Lee) during that appreciating period (Sid Lee) had worked with a couple members of the CWG to develop some language to put some specific wording around some of the annex team principles. That language was provided to ICANN and in the development of the bylaws as well as in the contract, ICANN went through and provided some responses to that table to indicate where things were being brought in in principle, where we thought that there were terms that already reflected it, and where there was some concern over the language that has been proposed, particularly in consistency either with the proposal or with existing practice.

So I'd encourage and (Brenda) maybe you can help or Grace maybe you can help recirculate that annex fee table that had been provided earlier to the full CWG to review to take up this conversation further because there are definitely portions of the concepts that are expressed in annex fee that remain, you know, were part of how the CWG evaluated the proposal and remain reflected either in the bylaws or in the contract. And there are also specific areas of language that had been proposed in that interim work that (Sid Lee) was assisting with that are not reflected in either place because there were concerns with that specific language.

So if that could be recirculated, I think that would be helpful to carry on this annex conversation.

Jonathan Robinson: Yes, thanks Sam. That will be able to tidy that up and it'll be clear then how those various points have been handled. So that will be useful. Thank you.

All right. So we've got a pretty good idea of origin and structure of the naming - many functions contract related to company agreement. And then for the remainder of this call, I guess we can cover off any outstanding issues at this stage with respect to the other items that are flagged on the agenda.

Just for the sake of good order, has anyone got any comment or point they would like to raise with respect to the, what do you call those documents? The PTI governance documents that for which the red lines have been provided. Any comments on those? That's the code of conduct, the conflict of interest, and I forget what the third document is. But those three documents, has anyone got any particular point they'd like to make on those at this stage? We haven't heard from (Sid Lee) since they've seen the red line version of those documents.

All right. Let's go then and hear from, given the sequence from which these appear on the agenda, from Alan if there's any updates on the work relating to the (Arzerg) charter first of all. So Alan Greenberg, can you provide us with - I think you have sent something to the list earlier so it may be that you just want to refer to that. Or is there anything else you would like to add at this point?

Alan Greenberg: Yes. I'm not going to comment on the (Arzerg) charger as a whole. There's a number of changes that have been suggested in the public comment period and I guess Trang is probably the best one to do any of those.

I did comment of the IOTF. In a previous IOTF meeting -- one that I missed -- there was a suggestion of some criteria for the (Arzerg) members. And I found those to be honest, close to insulting in that we said things like people have to have some idea of what the DNS is, or wording like that.

And I proposed some rewording that essentially said it is up to - that each of the appointing organizations knows that this is. This is an important group that will oversee any architectural and operational changes in the root zone. And it must appoint people who are capable of addressing those issues, that (unintelligible) have a good overall understanding of the DNS and the root zone, and strong understanding and ability to work with their appointing organization on things that are specific to those organizations.

I don't, you know, given that we have such a diverse group of people -- some of whom may be experts on a small area but not necessarily experts on the other parts -- I don't think we can be very prescriptive as to what that skills are. But we're looking for top-grade people here who can interface with their

organizations. And I don't think we can be more specific than that. Thank you.

Jonathan Robinson: Okay. Thanks, Alan. Trang did you want to come in with other points about handling the public comments and where we are with that?

Trang Nguyen: Thank you, Jonathan. Yes, I did prepare a couple of slides as per the suggestion to show you where we are with the analysis of the comments.

And while that's being loaded, we just want to take the opportunity to thank you, Alan, for coming in and providing some suggestions to the qualifications. I did take a look at those and they look good to me. I did tell Alan that I may make a few minor suggestions to one of the paragraphs that was suggested, but I agree -- I think we need to provide some guidelines and I think those are good guidelines to provide the appointed organizations for us to get the ball started.

All right. So now turning to the analysis of the comments that have been submitted, there were seven parties -- individuals and organizations -- that submitted comments to the (Arzerg) charter. I've organized the comments. A brand item that we can release scroll controlled or if you want to scroll for us. Okay, terrific. Thank you.

So slide number two, it's a summary of all of the comments suggested when no updates are required because either the concern raised in the comments are already being addressed by the proposed charters so no additional action is required, or the implementation of the suggestion would cause inconsistency with the CWG proposal.

There were several that had suggested changes to the composition of the (Arzerg) membership and that is something that is very clearly specified in the CWG proposal. So to expand the membership base of the (Arzerg) would create inconsistency with the proposal. So, you know, we don't recommend implementing any suggestions that would cause the inconsistency.

The next slide summarizes the suggestions and comments that we will implement. And those are either, you know, adding some additional background information that would provide context the existence of the committee -- which we think is a good suggestion.

There's also some minor tech updates that we could do to provide additional clarity around some of the things that are highlighted there in terms of, you know, whether (Arzerg) would originate proposals and recommendations or whether or not they would consider issues that are raised to the committee.

So there's some language in the proposal that we can pull from that could provide the clarification around some of these areas. So these are the type of things that we will be making updates to the charter to further clarify.

With regard to (Arzerg) comments, the (Arzerg) submitted several specific requested edits with the goal of clarifying the purpose and scope of responsibilities for the (Arzerg) so that it doesn't infringe upon the (ARSAC) area of responsibility. We may not be implementing the exact edit provided by the (ARSAC) but we are aware of the concern and the request for additional clarity around the purpose and scope of the (Arzerg). So we are contemplating adding some language to the purpose and scope of responsibility sections of the charter that would clarify that it would not be the (Arzerg) area of responsibility to get involved in issues that have to do with the operation of the root servers.

We are still having discussions with the (ARSAC) around their comments and potentially how to move forward in terms of addressing the comments and requests for additional clarity. So that's not completely nailed down yet. We're still having discussions with the (ARSAC) but that is how we - but we hope to be able to address that concern by adding some additional language in the purpose and scope of responsibilities sections.

And then the last slide I have here summarizes a couple points that have been raised where these are not the type of things that are in the CWG proposal. They were discussed within the IOTF and language was drafted for the quorum and voting threshold. And there are some comments around needing some additional details around the quorum and voting threshold and then the RYSG commenting that additional language should be added to prevent disproportionate share of influence because ICANN, based on the membership composition, would have two seats on the committee -- one from the ICANN board and one from PTI.

And the other thing that ICANN would like to flag for the CWG relating to these particular areas is, you know, whether or not a full (unintelligible) is going to cause any issues in terms of the ability of the group to accomplish any decisions because it's quite a diverse group like Alan had mentioned. And would there be issues with reaching full consensus on all issues by the group? Or would a rough consensus, you know, be adequate?

So that's a high level summary of the comments received. Alan, please go ahead.

Alan Greenberg: Yes, two points -- first of all, with regard to the (ARSAC) comments regarding operation of the root servers, I think we have a nomenclature

problem. That we talk about the (Arzeg) being responsible for operational changes. Now certainly from the point of view when those words were originally crafted, we were looking at things such as, you know, a major software change in IANA or I guess with the root zone maintainer is a similar one.

And that's not the same as operational changes within some entity where the external parts of it are not changed at all. So we are using the term operation in two different ways and we may need a bit of clarification to say we're not delving specifically into the workings of something such as the root servers. We're certainly not going to get involved -- at least I don't think it would get involved -- you know, if one root server decides to go to a different software level or something like that, or even a different software version.

The other question that is the issue of do we need full consensus or partial consensus. And again, I'm going to harp back to the fact that these are high level people representing their groups. If one member of the (Arzeg) says I and my whole organization objects strenuously to something, presumably they're going to back that up with a reason and the rest of the (Arzeg) will take notice. I mean, that's why we have the diverse people there -- to raise issues that someone else might not have seen.

So I think we're going to have to leave it to the discretion of that group whether full consensus or partial consensus is sufficient in any given area. These are people who are presumably going to care passionately about the engine not working and hopefully will not do anything really dumb. Therefore, individual concerns are going to have to be dealt with. But I don't think we can second guess the outcome on a particular issue, so I'm happy with implying partial consensus knowing that the group may well insist on full consensus to make some decisions. Thank you.

Trang Nguyen: Thank you, Alan. Chuck please go ahead.

Chuck Gomes: Thanks. I think I'm in agreement with Alan on what he just said. But I would avoid the use of the term full consensus. And I don't think it's in there now. Because full consensus in my mind means unanimous. And I think it's good if they can be unanimous, but like Alan said, I think we should leave that to them to define what consensus means and what they're comfortable with in terms of consensus.

But I definitely would avoid the term full consensus just because that means unanimity and in our world, that is often not realistic. So that's my suggestion.

Trang Nguyen: Thank you, Chuck. And confirm that full consensus is not the current language in the proposed charter. It just talks about consensus. Right. And Alan wrote additionally that we should mandate that in any given issue they may well want unanimity, but that is an (Arzerg) decision. Okay.

So given that, you know, we will most likely leave the language as is and not make any updates relating to quorum and voting threshold.

So that is it in terms of an update on how the staff analysis on the (Arzerg) charter comments are progressing. I will turn it back to you.

Jonathan Robinson: Thank you very much. And it sounds like you've got a little bit further input and some encouraging comments as well, so that's good to hear.

I think we're coming towards the end of what we ideally need to cover off now. Certainly it would be useful to get a quick update I think on the work of IPR group. There are a series of outstanding items that need to be talked

through with the other groups, but really we intend to pick that up primarily next week at a to be scheduled call, so I don't think there will be a material update for you on Thursday on this, but we may want some input on Thursday before going into that call next week.

So Greg why don't I hand it over to you for a five-minute update on the INIPR work to the extent that I hope that I haven't stolen your thunder. But please go ahead and provide any additional complementary update to that.

Greg Shatan: Sure, thanks Jonathan. Greg Shatan for the record. And at the risk of possibly repeating what's been said or what's been seen on the list, where things currently stand is that on the principal terms document we've been through one round of comments with (Sid Lee) already. And the second round of comments was distributed by (Sid Lee) to the client committee last week.

And I've posted to the client committee list potential responses to their remaining comments, which number about seven. And that can be moved from that list to the CWG stewardship list for further comment and resolution on those points.

At the same time, we've decoupled review of the principal terms from reviewing the definitive documents, feeling that their issues were few enough and discrete enough with regard to those in the principal terms that we can move forward on those documents.

The council for the IETF Trust prepared a first draft of both the license agreement and a community agreement. Very recently (Sid Lee) has provided back again to the client committee their comments on those two documents -- so recently that I have not had a chance to review the comments. I'm looking

forward to that. And those should move through the same process from the client committee to the full list. I'll try to get that moving quickly.

There's not yet a draft of the assignment agreement from ICANN to the IETF Trust, but that's the simplest of the three documents and we'll make sure that that catches up to the other two in short order.

Finally, there is a call being scheduled -- sort of an all hands call -- of the IPR negotiating teams, if you will, from the three communities plus the IETF Trust to the extent that the IETF Trust can be distinguished from the IETF. And that is being scheduled for next week because this week is the IETF meeting in Berlin and thus, you know, opportunities, you know, for time that all could share and not have to be in six other places at once would be limited at best for those who are participating in IETF. So we're looking to a call in the front end of next week for, you know, the entire group that's kind of been working on the INIPR so far from the three communities plus adding in outside council in each case for those communities.

So that is I think where things stand at the moment. Happy to see if there are any questions or the like on this point.

Jonathan Robinson: Thanks, Greg. That's a helpful update. So hopefully that's put a couple of others in the picture. Lise did you want to come in at this point?

Lise Fuhr: Thank you, Jonathan. I'm not coming in on the INIPR. Just wanted to remind the group of the email we sent today to (Sid Lee). We actually sent it to Sharon but it's more an email to (Sid Lee) regarding the way forward in relation to the naming function agreement and the enter company agreement where we actually were underlining that we were rely on (Sid Lee) to assist us with these agreements and to highlight any areas of concern because at the

moment things are moving really fast and we need to ensure that we have all the details analyzed by (Sid Lee).

So this is just a reminder to all of us that (Sid Lee) are assisting on this and we will require - not require but hopefully have them to help with on the calls we're having going forward. Thank you.

Jonathan Robinson: Thanks, Lise. And so this is being dealt with generally via a client committee. And I think we are doing a reasonable job of both working with (Sid Lee) with ICANN legal and keeping the group connected with that work of the client committee.

We've really covered the key areas -- the articles, the bylaws, the governance documents, the naming contract, and the company agreement. So I think really we can probably move onto AOB with that rather than going into any further detail on the client committee because we've effectively picked up those points as we went through the meeting.

And there is the SLE team call on Thursday, looking at the output of the measurements and the work going on with respect to SLE. That call will be made open to anyone from the CWG who would like to involve themselves or participate in that.

And then our next meeting is scheduled for Thursday this week at a different time. It's -- depending on where you are it will be more favorable or less favorable. We had a request to be better accommodating of sort of more Asia, Asia Pacific type regions. And so we're going to try out 600 UTC call on Thursday, which of course is nasty for anyone over the west coast of the US. Apologies for that. But generally we've been very accommodating to your time zone, I hope.

So let's hope that we get some appropriate attendance for that call and we'll deal with that. (Lee) and I will review the prospective agenda for that tomorrow and update you very shortly and we'll be in touch from there.

So I think that brings up to a close. Thanks very much everyone.

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