# ICANN

## Coordinator: Brenda Brewer
## June 2, 2016
## 10:00 am CT

Operator:            The recordings have now started.

Grace Abuhamad: Thank you very much. Good morning, good afternoon, good evening, everyone. This is the 80th CWG IANA meeting. We're 2nd of June at 1504 UTC. From what I can tell we have everyone in the Adobe room. And today Lise will be chairing the beginning of the call so I will turn it over to her.

Lise Fuhr:           Thank you, Grace. And welcome to Call Number 80, that's a lot of calls, and a lot of years we've been working with this. But as Grace is saying, I'll chair the first part and Jonathan will chair the other part. And that's actually due to that he couldn't make the first part of this call and I have to leave on the top of the hour. I'm sorry about that.

But the actual purpose of this call is first to bring the CWG Stewardship up to speed on the state of the implementation work, and the IOTF work, the task force that's looking at the implementation. Furthermore, we have some substantive issues related to the implementation that we would like to discuss and highlight with you.

If we look at the agenda I think the item that will have the most meat for this call is actually going to be Item 3, the bylaws. And we have invited Sidley to join us on this call. And actually walk through the question they have for this meet – for this agenda we actually also copied in the document that Sidley sent us on this.

For Item 2 we will have Trang and Yuko give us an update on the implementation. And we have asked them to be very specific about the important timelines and dependencies as we're running very close to the actual date on where the implementation plan as such as to be finalized.

Jonathan and I actually find that we have some quite complex issues ahead of us. And it's important to keep focus on this, last part of the implementation. And we know everyone is a little worn out by all this work but we hope to have your support and focus for this last challenging part of the implementation.

And with that opening remark I'll actually ask if there's any questions or additions to the agenda? I don't see any, okay, we will then proceed on to Item Number 2, the implementation. And as I said, we have Trang and Yuko for this part. I don't know who – which one of you will give it a go but please run us through your slides.

Trang Nguyen:   Thank you, Lise. This is Trang. I'll go through and provide a brief update on the various implementation efforts that are going on. I know that you want to slate a bit of time for the discussions around the PTI bylaws so we'll try to be direct and succinct on the update.

Next slide please. These are the dashboards that we have been presenting to you so want to update you on the few of the projects using these dashboards. The first item is the parallel testing. We are as up to date 57 days into the 90-day parallel testing period. And everything is progressing well. If everything continues to go well the 90-day testing period will end July 5 so that's progressing well.

On the RZMA we are working very, very hard to finalize the RMZA with VeriSign and we're very close to having it finalized and we hope to – and we hope that that will happen very soon. But we are very, very close on the RMZA.

With regard to the names SLEs, we are just about at the three-month mark of the SLE data collection. I believe we started that in the early part of March when we deployed the code changes so we're just about the three months mark. And what will happen next is we will be analyzing that data to come up with a set of recommended performance targets that we'll be sharing with the SLE design team next month, which is the timeframe that was agreed to in Marrakech.

The other thing that the team has been working on is building a dashboard that will be used to report our performance against the targets that are set. So as it relates to the names SLEs project everything is progressing well there as well.

Next slide please. Thank you. On PTI, there are two main track of work that's going on here. The first has to do with the PTI formation documents, which includes the bylaws, the articles of incorporation and the conflict of interest policy. And then the second track of work is the ICANN PTI contracts.

With regards to the first item, the PTI formation documents, those have been circulated to the CWG and Sidley for review. And I know that we have allotted some time in the next agenda item to discuss this.

With regard to the second item, the ICANN PTI contract, we have previously envisioned that there would be four contracts between ICANN and PTI, two subcontracting agreements for the protocol parameters and numbers functions, a contract for the naming function, and then a fourth document which would be the intercompany service agreement between ICANN and PTI.

I know that Sidley has reviewed and provided some feedback with regards to the structure of the four contracts and so we're taking a look at that feedback and we'll provide a response. The feedback from Sidley was that due to a particular clause in the ICANN bylaws, which only reference on contract, whether or not the intercompany services agreement and the naming functions contract needs to be combined into just one document. So we're taking a look at that feedback and see if that can be accommodated without impacting the subcontracting arrangements.

We have a timeline with regards to the various activities around the formation of PTI that we'll share with you after we complete all of the updates on the various projects. So we'll share that with you shortly.

The other thing that want to share with regards to the work that we're doing on PTI is that we have shared with the IOTF a PTI implementation plan that details out the recommendations for the secondment of the PTI staff. And we're still under discussions with the IOTF on that topic. There has been some additional information that has been requested by the IOTF and we're working to provide that additional information. So the discussion is still ongoing within

the IOTF and once the discussion within the IOTF concludes we will bring that topic up to the full CWG.

Let's move on to the next slide please. Thank you. With regards to the IANA IPR, we're waiting for implementation requirements on this. We understand that there has been a framework document that has been drafted and is undergoing legal review. So we're anxiously awaiting for the finalization of that document and what the next steps are on that particular project.

Next topic, RZERC, we have been working with the IOTF on the RZERC charter, a term sheet of the charter was circulated to the CWG and comments and feedback were discussed with the IOTF and implemented as appropriate. We turned that term sheet into a charter document essentially just doing some formatting to turning it from a table format into a paragraph format and adding some wrapping text to fill it out a bit. But the substance and content has not changed. We are planning on posting that charter document for a 30-day public comment period tomorrow.

With regards to the CSC, yesterday we sent a request to the chairs and co-chairs of the ICANN SOs and ACs and RySG to request that they initiate the internal processes to appoint members and liaisons to the CSC. We've asked that they provide their appointments for the members and the liaisons by July 22.

And the reason being that the ccNSO and the GNSO has the task of reviewing or considering and reviewing and approving the final composition of the CSC membership once the nominations are made from the SOs and ACs, so because of that extra step, you know, we wanted to make sure that the ccNSO and GNSO had adequate time to do that.

With regards to the escalation processes, there were a couple of areas that required clarification – a couple of areas in the CWG proposal that required clarification. And Chuck and the Design Team N provided the clarification needed so the next step on that project is for the IANA team to update the process documentation. And we anticipated there would be no issues with getting that done by August 15.

Next please. So ICANN bylaws, as you all know, the ICANN Board approved the ICANN bylaws last Friday and they were transmitted to NTIA. And that completed the last piece that was required for NTIA to issue its report, which we expect to receive next week. And the latest from NTIA is that they are on track to deliver that report next week.

IRP – the IRP implementation oversight team, or IOT, has started work to define the IRP procedures, which we will need to have in place by October 1. And this work will also be important and needed to secure an IRP provider as well as to form a standing panel so we're happy to say that work has started on that.

With regards to the reconsideration request enhancement, the work around there is essentially just to update a process documentation, which we anticipate that there would be no issues, you know, to do so by August 15.

With regards to the empowered community enhancements, the work around that is to ensure that some of the administrative mechanisms are in place so things like making sure that there is an Adobe Connect room available, making sure there is an email address available for requests to be sent in, that sort of thing. And we're working on identifying the list of those things that we need to have in place and then put them in place. And again, we don't anticipate any issues with getting that done by August 15.

The last project that you see here, the financial planning process updates, that refers to the work around the caretaker budgets and the PTI budget that Xavier has been doing with the DT-O. We're going to be updating the status for these projects. Obviously some work has started on this so it's not exactly accurate here to reflect that it's not started. So we'll update the status of these before we get the deck posted.

So that concludes the status updates. And then what we have – what we were planning on showing you next is the timeline for the PTI formation activities. I'll just take a pause here and see if there's any questions so far before we move on to the PTI timeline?

Chuck, please go ahead.

Chuck Gomes:     Thanks, Trang. What is the target date for the secondment rationalization document that staff has yet to deliver and committed to the IOTF to deliver?

Trang Nguyen:     Chuck, we've had a draft – a couple of drafts actually already circulated internally for review. So I'm – I was hoping to try to get something out this week. I know it's a short week but I'm still hoping to get something out to the IOTF this week on that. But we've been working on drafting and have been internally reviewing and so hopefully this week.

Chuck Gomes:     And just a follow up – this is Chuck again. So and eventually after it goes to the IOTF it'll go to the full CWG, correct?

Trang Nguyen:     Yes, I would assume so, Chuck, yes.

Chuck Gomes:     Thank you.

Lise Fuhr: Chuck, and actually Trang, to that question I believe we have full transparency on all documents that's being circulated in the IOTF but I think we should specifically send this memo or this document to the CWG. Thank you.

Trang Nguyen: Sure, Lise, that can certainly be done. If there no other questions or comments on the status update could we load the PTI timeline? So we had previously shared this timeline as well, I know, to the IOTF open list. I'm not sure if it has been forwarded onto the CWG but we can certainly just forward this one slide – pull this one slide out and forward it onto the CWG after the call if that is desired.

This document basically lays out the various activities around the PTI formation as well as the current timeline associated with those activities. So I'll start at the bottom of the chart. The first sort of teal color that you see there is ICANN selects the name for PTI so as the timeline shows we're working on that and expecting something towards the end of the month that we can then share. That may get pushed out a bit but there's no critical dependency there.

The next item – that line that you see above that would be the PTI formation documents. Those have been circulated and shared and we are working to iterate on that. The timeline currently anticipate that that document would be posted for public comment period towards the end of the month. And then after the public comment period the ICANN Board would then approve it, and then ICANN can go ahead and incorporate PTI as an affiliate.

I think that we have a little bit of wiggle room, you know, with regards to those documents. Currently it's anticipated that the PTI incorporation would

occur towards the end of July. I think it can go into the early part of August, you know, we should be okay. Again, the reminder here is that we have to submit our implementation report to NTIA by mid-August. So the critical point is to show enough progress by the middle of August there. And so I think that if the incorporation occurs by then I think we should be fine.

After PTI is incorporated the ICANN Board would then appoint and seek the PTI directors. And then PTI would then file for 501(c)(3) status which is the nonprofit status in California.

And concurrently with this work, as you can the line at the top, ICANN will be working on drafting the ICANN PTI contracts and reviewing that with the community with the goal of posting those documents for public comment in the month of July. Again, I think that we do have some wiggle room there so even if that gets pushed into the early part of August a bit I think that will be fine.

And depending on the timing of when the contracts are posted for public comment period we can either insert the performance targets for the names into the contracts before or after the public comment period. Again, it really depends on the timing of the public comment period for the contracts. The timeline for the names SLEs is that we would have that ready for the names SLE design team review by early to mid-July, you know, so depending on when we post the contracts for public comment we can – if the SLAs are ready they can be inserted into the contracts when they are posted or they can inserted after. And then ultimately contract execution.

So those are right now the lists of activities that have been identified and the timeline associated with them. The conversations around the secondment of PTI staff, the impact to that is mostly to the contracts and more specifically

the intercompany services agreement. There should be no dependency of that discussion on the PTI formation document so we believe that that work can continue to move forward while the conversations around the PTI staffing, you know, continues.

So I will take a pause there and see if there are any questions. Paul, please go ahead. Paul. Paul, you may be on mute, if you're speaking.

Grace Abuhamad: Trang, this is Grace. I don't think his audio is connected.

Trang Nguyen: Okay so…

((Crosstalk))

Trang Nguyen: Okay. Got it. Any other questions or comments?

Lise Fuhr: Trang, this is Lise. I – if Paul is not able to actually speak I might have an idea of what he wants to ask you about and that is because he's expressed this concern to me, if there is the solid commitment that IANA at the moment are collecting data that will be available to actually use for a measurement for the future SLE.

I think you said something in relation to that. And I'm not sure but actually if you can give us a firm commitment that the data is being collected and that the – they will be ready to use this for the future SLEs. Thank you.

Trang Nguyen: Thank you, Lise. Yes, we have been collecting data since the early part of March, as I mentioned. So we are able to and have been collecting SLE data. And we will be able to use that data to create a set of proposed performance targets for the SLE design teams' consideration.

Now, as mentioned in Marrakech, some of the data points that's being asked to be collected are things that – change requests that do not occur on a very frequent manner and so there are going to be some data points where we will have more data than others. But just due to the fact that, you know, some requesters don't come in that often – some types of requests.

So, you know, and we'll deal with that appropriately when we propose performance targets. But we have been and are collecting SLE data.

Lise Fuhr:        Thank you. I have another question for you since we have the PTI formation activities and timeline in front of us. And I actually see close, well, interrelation between the ICANN PTI contract and the PTI formation documents because as has been raised by Paul Kane on the issues relating to Annex C Section 7 and 8, whether they should be in the bylaws or in the contract. I think it's important that you have the two documents in parallel to actually compare where the different issues are covered and how they're covered.

Is this going to be done in parallel or is that going to be done in – well in – what do you call it – after each other, thank you.

Trang Nguyen:    Thank you, Lise. I understand that Paul had raised one particular issue with Annex C that he believes, you know, should be included in the bylaws. And I think that initially we had considered that – considered for that to be included in the contract. I think ultimately it can be in either place so if the request and if the desire from the CWG is for that to be included in the bylaws we can certainly – we can certainly consider that.

And I see Sharon's note in the chat that all these documents are interrelated. If there are – if there are issues if one gets out too far ahead of the other. Noted, Sharon, thank you.

Lise Fuhr: And I don't if Paul has got audio now or he is – or he can speak or type if his issue has been covered. He says I can hear but can't speak. You're saying – you covered some of them but are there any outstanding for this session with Trang? Or do you want to raise them under other items; we have PTI bylaws coming up.

The issues related to shared services, the affiliate should be separate. And that shared services are you talking about other than the secondment? I don't know if we should actually – Trang, if you have an answer or we might deal with these under the formation document as such? Trang.

Trang Nguyen: Hi, Lise. This is Trang. I think the details of what Paul is asking goes to the heart of some of the things that are in the PTI implementation plan, which is currently under discussion with the IOTF. So I wonder if this is a bit premature for the CWG and whether it makes sense for us to pick up that discussion thread on the next IOTF call.

Lise Fuhr: Good. Paul Kane says, "okay." Any other questions before we leave this subject? Because I'm a little conscious of time and we have PTI bylaws coming up. And I know that Jonathan has actually joined the Adobe room so any other questions to Trang? Doesn't look like it. Thank you, Trang and Yuko, you're doing a great job of actually getting the implementation visualized, that's good. Thank you. And thank you for joining this call.

I'll hand it over then to my co-chair, Jonathan Robinson to discuss PTI bylaws. Jonathan.

Jonathan Robinson:     Thanks, Lise. And hi, everyone. So clearly we've got a set of documents, and as was highlighted earlier these are interconnected. And so we have to weave them together as we work through them. But certainly critical to this is the PTI bylaws. And Sidley have given the ICANN draft a thorough review. And come back to us via the client committee with their comments.

And we then asked staff to assist us in parsing out those comments and essentially separating those into two different categories; those which were notes to ICANN, and those which were notes to the CWG. And so we now have two tables to work with, one which is a bunch of questions or notes to the CWG from Sidley and one which are a set of questions and notes to ICANN.

Lise and I do not propose that we go through the detail of the notes to ICANN because really this is for ICANN to respond to and the CWG to keep a watching eye on. But there are some detail questions that Sidley have posed, and Sharon is on the call and as you'll see in the chat to assist here in working through these.

Now I'm not sure that the CWG can realistically go through each of these points and provide the answers, but I think it would be very useful to take a decent first pass through these items you'll see in front of you in the table. And it may be that we use the IOTF to try and draft up some answers or we work online. Some of them – the answers may fall out relatively easily.

I think since we have Sharon on the call, Sharon, it may be helpful if you essentially talk to the essential question on each of these if you're comfortable doing so. And I know you haven't seen this table, this table came out shortly

before the call through no fault of anyone's other than the fact that we're working to tight deadlines here.

But if you are comfortable with doing so, Sharon, I think it might be helpful if you just simply go through these points, or if you would prefer, ask me and I'll lead us through them.

Sharon Flanagan: Thanks, Jonathan, I'm happy to go through them. So working off the table, and then there's also the redline that I think people have which is our marked comments to the ICANN draft and that's where you'll see some of these footnoted questions. And the page numbers refer to that redline.

So the first item is on Page 4 of the redline and it relates to director qualifications. And ICANN has proposed a number of qualifications for directors. There's only one of the list that actually comes out of the CWG proposal and that's just that the person have, you know, or collectively the group have management, operational, technical, financial and corporate governance experience.

What was added are items that come out of the ICANN bylaws and seem, you know, seem appropriate to us but it was beyond the scope of the CWG proposal so we wanted to flag it and confirm that you all were comfortable with the additional qualifications for the PTI directors. That's the first item.

The second item is on Page 5 of the redline and it relates to some additional qualifications for directors beyond the general ones I just referred to. And that says that no person who serves in any capacity, including as a liaison, in any SO or AC of ICANN can also serve as a PTI director. And also that no person who serves on the Nominating Committee can serve as a PTI director.

There was a question in our mind as whether that was appropriate. We also noted that it sounds like at a minimum an exception will need to be made for this for the transition period as we understand that the CWG co-chairs may be serving as the, you know, first interim PTI directors. So question for you all is whether the limitation is appropriate to restrict PTI directors; no SO, AC or Nominating Committee individuals would be permitted to serve.

((Crosstalk))

Jonathan Robinson:    Thanks, Sharon. I mean, just to – it's Jonathan here. I mean, it seems to me that the essence here is that ICANN has expanded both the qualifications and the limitations on persons to take these roles and these may well be appropriate and in the spirit of that was intended by the CWG. But what we need to be careful of is making sure that they are appropriate and that don't unduly limit our ability to appoint appropriate people. So that feels to me like the length to which we need to view those.

Sharan Flanagan:  Yes, I think that's exactly right, Jonathan. Just, you know, for example, the fact that we already know, at least as proposed this won't work, at least for the interim period so just a question of whether it's overly restrictive or whether people are comfortable. So that's on director qualifications.

The next question appears also on Page 5 of the redline and it is in Section 5.4 and relates to who will chair the PTI Board, whether you want to provide that there would be a chairperson elected by the board, if you wish you could have the chairperson be the president who we assume is going to be the PTI manager.

Right now as it was – at least as it was drafted by ICANN there is no chair – if there is no chairperson then the president acts as the chairperson so the PTI manager would act in that capacity.

So the other – the other alternative to having the president serve as chair is the board simply selects from among themselves who would be the chair or you, you know, you have an independent director serve as chair. There's lots of different ways to consider that.

Jonathan.

Jonathan Robinson: Yes, exactly, Sharon. So I think on the other two points, just going back to those a moment, I think the way I would approach this and will approach it in terms of producing any input I do I would probably put one or more – have one or more persons in mind and test them against the requirements. And are we unreasonably or unsatisfactorily excluding either temporarily or permanently people from undertaking those roles.

With respect to the specific question you pose here, I think in my view, and I'll consider this more, but the generally one wouldn't want the PTI director to be the chair. One would expect that the board would have a degree of independence from the president and therefore that it should be generally someone other than the president and possibly we may even go so far as to say we would expect it to be one of the independent directors who chairs that board to create a further level of independent thinking at the PTI level without inadvertently triggering the separation we sought to avoid with the way in which we composed this board. Thanks.

Sharan Flanagan: Thanks, Jonathan. Chuck.

Chuck Gomes:     Thanks. And, Jonathan, just one comment on what you just said. I would have no problem with one of the independent directors being chair. But since there are only two of those that might be a little bit over-restrictive. Again, I like the general idea of giving that board some flexibility so they can do what's best overall with full view of what the existing options would be at a given point in time. So that would be my concern about suggesting it be one of the independent directors. Thanks.

Sharan Flanagan:  Jonathan.

Jonathan Robinson:    Yes, thanks. I'll come back on that. I mean, I agree, Chuck, I think we have to be – with all of these points, as we produce the answers or the responses, we need to be very careful that we don't – we neither – we don't unduly restrict ourselves. We need to really envisage what might happen. And so I take the point, that's a general point as well as a specific one to the chair person, in general we have to be careful not to go too far in restricting this.

Yet at the same time, seek to achieve what we intended, which is why it's useful I think to talk in broad terms and understand what's being discussed here and then perhaps go offline or to start to draft up some of the responses. Thanks.

Sharan Flanagan:  Okay, with that I will move on to the next item, which is Section 5.5, Page 5, which is the term of the directors. The current draft proposes an annual term, one-year term. And we just wanted to ask the question if that was acceptable. We didn't see any issue with a one-year term but we just wanted to confirm it. Jonathan.

Jonathan Robinson:    Yes, so again I won't prescribe a proposed response at this point but I would – in my experience in this kind of thing too much change, and too

much change might be a change in directors every year, can create a degree of – there's some value. So providing it didn't have the effect of creating a board that changed significantly each year I think that's my only concern with such a short term.

You might want to – I don't know how to address that but that's just a consideration that I would encourage us to think about when we draft our responses.

Sharan Flanagan: Thanks, Jonathan. Okay, the next item is Section 5.5.3 which is the independence of – the definition of independence. So we have the two PTI directors who are, quote, independent. Those are going to be the directors who will be selected by the Nominating Committee. And so ICANN has put forward a proposed definition of independence. It was not defined in the CWG proposal, it was just generally referred to as, you know, two independent directors.

So what ICANN has proposed is that the individual not have been an employee of ICANN or PTI, currently or for the past three years or currently be an ICANN director or have been an ICANN director in the past three years. Those would be the qualifications for independence. Okay. Seeing no hands on that one I will keep going.

So the next one is 5.5.2, which is on Page 6. So on this – or actually I think it's actually on Page 7 of at least my redline is probably a difference in page sizing. But on this one it's director – the issue is director removal, when can you remove a director. And we had put in some proposed language that you could remove a director if they fail to attend a minimum number of meetings.

Actually it looks like ICANN had put that language in as well. I think we just maybe restructured it slightly. So would you want to have an ability over the board to remove a director if a director is failing to attend a sufficient number of meetings. And then further, if you do want to provide that would you also want to say that that removal would still be subject to the member, i.e., ICANN's approval as well?

And in addition to – in addition to the notion that the board could remove a director for failing to attend meetings you sometimes also see an ability to remove if the director fails to meet the qualifications that we talked about originally, you know, that they're sufficiently experienced, they're not connected with certain SOs, ACs and the like. So question just to think about in terms of removal.

I think that covers the next item as well. Let me just look at the table for a minute. Yes, okay. So it's really just this idea that the qualifications are continually tested and if you fail at any point you could be removed.

Okay Number – well next on the list, quorum, 5.11.1, Page 9 at least on my draft of the redline is a quorum. This is probably one of the more significant issues actually of all of these issues. So this is what will it take for there to be a quorum, so what – who needs to show up of these five directors who needs to show up at a meeting in order for the board to act.

And as originally drafted by ICANN it was just a simple majority so three of the five directors if those three of the five directors appeared you've got a quorum you can take action.

Given the way this board is structured you have the PTI manager, you have two ICANN appointments, and you have two independents, appointed by the

Nominating Committee so three is kind of a magic number. Normally three, majority fine, no big deal, but three matters quite a bit here because if you have a simple majority for quorum then you could have the two ICANN directors and the PTI manager, the three could be a quorum and you wouldn't need the independent directors at all.

Or conversely you could have the two independent directors and the PTI manager and they could be a quorum and you wouldn't need the two ICANN directors at all. So what we were suggesting is you might want to have a higher standard for a quorum and require at a minimum – you have to have a majority but at a minimum you have at least one of the ICANN directors and at least one of the Nominating Committee independent directors.

And once you have the quorum, so you've got people present and, you know, there's a representative from each of the groups, if you will, then you could say at the meeting itself, a majority can approve things. So you wouldn't be in a position where the two independents could block a vote or that the two ICANN directors could block a vote but at least you know they're at the table and they have a voice.

So as I said, I think that's probably one of the most important – it's a true control issue because who you need for a quorum, who can approve things, that matters quite a great deal. So that's something I think for the group to think about. Okay let me keep going then.

So onto Page 3, Section 5.11.3, when a greater vote is required for valid board action. So there's certain things that as structured in the draft bylaws there are certain things that are significant enough that they require a – potentially a greater vote as it's set up in the bylaws here.

And it's – but as it's actually drafted ICANN has just contemplated a majority of directors to approve the following significant items. So it's the same issue. So it is a simple majority or do you want to require something more? Do you want to require four of the five? Or are you comfortable with the three of the five.

And the next item in that able, 6.1, is just a follow on same issue which is to create a committee and for those committees to act would you require more than a simple majority or are you comfortable with a simple majority so long as you have a quorum or you've got one representative from ICANN and one representative of the independents present. So these are all of a piece, they all really go together.

Okay so moving on then, Section 5.16, fees and compensation of directors. As it was drafted by ICANN the directors will not receive any compensation for services on the PTI board. And that would be pretty typical in a subsidiary type bylaw situation is that you wouldn't expect directors of a subsidiary to get any compensation.

Here it's a different situation and a more unusual situation which is you are pulling in two, quote, independent directors and those directors in order to get someone who's really qualified, they may expect some compensation, you know, for their time.

And it may be – that issue may be more acute actually if you restrict the qualifications to nobody who is an SO, AC, Nominating Committee person, because those are people – so really you've got people who are really coming in from the outside and if they're not getting any basic frees for service are you going to be able to get the best people to serve? Jonathan.

Jonathan Robinson:     Yes, thanks Sharon. So a couple of thoughts on that one that I'd love for anyone else to respond to. First of all, my feeling is that we should be careful not to be too restrictive so that we can draw on relevant expertise within the ICANN community. In other words, we shouldn't inadvertently preclude someone from participating just because they are active in one or more SO and AC, providing we don't think that they have an overarching conflict of interest.

Separate to that, I have a feeling at some point in the CWG deliberations we discussed the prospect or not of fees for these roles, we certainly discussed it I think in respect of something like the CSC and that may be where I'm remembering it more clearly whether or not there was any kind of travel support for CSC.

But I'd be interested to hear what others things. For example, we compensate the ICANN board. Now the responsibility here is not on par with the ICANN board but we have a precedent so it would be very interesting to hear if others think there is some relevancy to compensation in this context. And it may be that that's not for now but if anyone does have those kind of thoughts anything like that that gives a view, positive or negative on these different points, would be helpful to flesh out the answers.

And note there that Sam has made a comment in there that the ICANN board is not necessarily a benchmark which is essentially what I made, other than that is a precedent for compensation but not necessarily of the same magnitude. Sharon.

Sharan Flanagan:  Thanks, Jonathan. And there are some comments in the chat. Sam, I think you were proposing that maybe you think about the same structure as you have for ICANN, which is based on the number of hours, level of activity, etcetera.

And it would be pretty common, if you do decide to allow for fees, at least be silent on the point, you know, right now it's a prohibition that, you know, you pay people for meetings, you know, if you're – if you come to a meeting you get paid a fee. Oh, Sam, come in.

Sam Eisner: Just to be clear, I wasn't suggesting that this group identify or try to take into account what that level would be. I think as Chuck reflected in his comment, and many people have been around the ICANN world know, ICANN board compensation didn't come in until 2008 and that was after multiple community inputs on that and there's an identification of how much the ICANN board was working and probably really was at least a part time job for many of the board members. And then we had to go through an entire process with independent evaluators to determine reasonable compensation under the IRS rules.

And so we couldn't just, even within ICANN, go about that. We'd have to bring in the entire independent evaluation process so that – because of our tax exempt status. And so I think, you know, if we were going to include something about compensation here we should have a pretty clear direction from the community.

So that was something that was desired to be considered and then we'd have to allow for the process to happen which would have to take into account the types of work that the PTI board is going to do and the types of hours that would be reflected and everything. But that would have to be a process run independently from ICANN staff because of our tax rules that we have to follow. So there is – there are many levels.

Of course including today that directors wouldn't be compensated so we're clear on that, doesn't preclude the fact that after some experience with how

the PTI board runs that maybe it would be appropriate to have a community recommendation or a recognition that maybe compensation should be considered and that would initiate the entire review process to develop the proper level of compensation, again, through the proper independent evaluation expert channels.

Sharan Flanagan: Thanks, Sam. And I note there's a comment from Paul in the chat just saying he's not been comfortable with directors getting funding other than travel expenses. And then Chuck makes a comment that ICANN directors bear a heavier workload than, you know, a typical nonprofit director.

So one possibility here would be to just be silent on it and not prohibit it and allow the PTI to determine it in the future. But, you know, something to more – to think about.

Okay so moving on to the next item, which is committees of the PTI board. So the bylaws provide or contemplate that the board could create committees to do some of the work of the PTI board. The ICANN draft contemplates to the point we've been talking about that you'd have to – each committee would have to have at least one ICANN director and one Nominating Committee director to ensure there is representation from both of those groups.

The draft contemplates that majority of the board could create a committee and this is a similar issue which is are you comfortable with a simple majority so long as the committee itself would have to have at least one ICANN director and one Nominating Committee director.

Okay so let's see here. Next item is in 6.6 which is advisory committee. The PTI bylaws contemplate that the board could create one or more advisory committees and, you know, obviously ICANN has these. Many of you are part

of advisory committees to ICANN. The question is really for PTI whether that's really appropriate. You know, I know this was meant to be kind of a lightweight body and just a question of whether that seems right for this context or whether you would instead do the opposite which is to say no there wouldn't be any advisory committees, that that work is really being done at the ICANN level.

Jonathan.

Jonathan Robinson:     Thanks. Just to really highlight again, you know, any input that people have positive or negative, you know, this is a good question. There's a draft that suggests that advisory committees may be possible. This may be a useful thing to have; simply the ability to not be prohibited or the ability to create advisory committees. But if members of the CWG feel or in particular if they have a recollection or evidence of discussions that would have guided us against this sort of thing, anything like that that helps with the responses and therefore the bylaws drafting would be much appreciated. Thanks.

Sharan Flanagan: Okay. Next topic appears in 7.1 and has to do with officers. As the draft is currently set up the officer of PTI would be a president, a secretary and a treasurer, and then the board would have the power to designate additional officers as they see fit. And just we had a question of, you know, was everyone comfortable with that, the ability to create new officers or whether there would be a desire to just keep it to the bare statutory minimum.

Okay, 7.6.1, right, okay the role of the president. The draft – the draft contemplates obviously a president and then the question is whether we allow the president to delegate his or her duties to another officer.

Okay Section, let's see, 9.2, annual budget, which appears on Page 20 of the redline. Just looking at the table here that was created. CWG to advise regarding additional public comment period. So I think as drafted, just trying to refresh my memory as to what it currently provides here. Hold on just a second.

Grace Abuhamad: Sharon, I included the text of the section relevant to the additional public comment periods in the table. Would you like me to read that out for you or…

Sharan Flanagan: Yes, thanks Grace.

Grace Abuhamad: So the section that refers to is, "After reviewing the public comments submitted during the public comment period, the board may direct the corporation to post a revised draft of the annual budget on the Website and may direct the corporation to conduct one or more additional public comment periods of length determined by the board in accordance with ICANN's public comment processes."

Sharan Flanagan: Yes, thanks Grace. Right, so I think this is listed from the ICANN bylaws. This is the process that is contemplated there and it was just copied over here. And I think it seems – it seemed to fine to us but just the notion that there would be public comment periods. So beyond just the one initial public comment period whether you would allow additional public comment periods. And it would create – obviously it creates timing issues if there are more and more comment periods it will delay the preparation of the budget.

((Crosstalk))

Sharan Flanagan: Xavier. I see Xavier's hand up. Did you want to comment?

Xavier Calvez: Yes, hello, can you hear me?

Sharan Flanagan: We can hear you.

Xavier Calvez: Thank you. I just have a question relative to – sorry, this is Xavier Calvez, I'm the CFO of ICANN. I just have a question relative to the comment that refers to an additional public comment period. When we say additional to what public comment period? Is it the public comment period relative specifically to the PTI budget or the public comment period relative to the overall ICANN budget, which would include the PTI budget? Or is it not specified?

Sharan Flanagan: So and we also had a note to ICANN in the same section on the timing issue. So remember that the, you know, PTI board has to approve a budget and then that has to then get submitted up through the ICANN process. And so the draft had provided that nine months prior to the beginning of each fiscal year PTI would prepare a budget, but that timing doesn't quite work because the budget actually has to go up from PTI to ICANN at least nine months prior.

And so you need to build a little more time in to this internal PTI process in order to ensure that at the end of the internal PTI process you still give nine months to go run through the ICANN process. So the way this draft – so we've just, you know, blanked that out for now. It's probably something actually we probably should have noted that as a note to you all and maybe, Grace, you can add this to the chart which is do you all have a view on how far prior to the nine-month period that is going to be with does PTI need to get this budget going.

And then the draft contemplates that there is one public comment period and which seems okay to us. And then – but then it also contemplates that potentially the board could have additional public comment periods and that

we bracketed because at a certain point you're just going to start running out of time.

Xavier Calvez:     Thank you, Lise. Can I jump in again?

Sharan Flanagan:   Yes, please go ahead.

Xavier Calvez:     Thank you. Thank you. Just for information, the question on – that you're pointing out which I fully agree is relevant on the timing and the sequence is one topic that the DT-O of the CWG that Chuck chairs, is working on and that I have with Elise Gerich, provided input on. And the sequence that you laid out of the PTI budget as approved by the PTI board needing to proceed to the ICANN budget as approved by the ICANN board, is definitely the sequence that we're looking into addressing, and ensuring that happens.

And the timing is of that PTI budget is given second consideration after the sequence, meaning that even if it would not happen nine months since what we are trying to work on and ensure is that it happens before the ICANN budget is finalized and then submitted for public comment. So I think that the outcome of the work of the DT-O relative to that would then form therefore that section. I'll leave it at that. And maybe Chuck wants to jump in further. Thank you.

Chuck Gomes:      This is Chuck. I agree with what Xavier said so I don't have anything to add.

Sharan Flanagan:   Okay thanks. So it sounds like Design Team O will have more thoughts on this section and will add Note 25 we'll move to the CWG list as part of your consideration from a timing standpoint.

The next item is probably also belongs with that design team, it's the strategic plan, Section 9.3. And the question – the document contemplates just that the corporation will develop a four-year strategic plan annually rolling, you know, four-year plan. There is no process around that. And the question we had is whether you wanted there to be some process around that public comment, consultation, etcetera, similar to the budget. Okay so just something else to think about.

All right, Article 12 deals with amendments to the bylaws. And it goes back to our same question about what board level is required to take action. The current draft contemplates a majority of the board, three of the five directors could approve bylaw amendments and the question was whether you would like to raise that level to four of five to ensure that you have – that you can't have PTI – the PTI manager and just the ICANN directors asking or just the PTI manager and just the Nominating Committee directors acting.

We also just note that this isn't the only restriction on the PTI bylaw amendments, there is also process in the ICANN – through the accountability mechanisms where the community involvement on certain amendments to the PTI bylaws. Jonathan.

Jonathan Robinson:     Sharon, thanks. I think you – Sidley have picked up on some really important points here. And but for that second point you do raise an important – that second point is key is that there are other tests or issues that may have to go. But nevertheless, if technically the – all directors are ICANN-appointed so I'm not quite sure. The non-independent directors could change the bylaws. The strikes me as a fairly low threshold.

And even if we said a majority it would feel to me like it should be a majority to include at least one of the independent directors or even both, you know, so

certainly these are very important points that I think we should be thinking about.

And then to your previous one, I suppose this is just more for the mechanics of the group. To the extent that there are items such as Section 9.2 on the budget that particularly concern the work of previous design teams, whilst we could make some initial drafts of these, any input on those specialist areas would be great to receive. Thanks, Sharon.

Sharan Flanagan:    Thanks, Jonathan. And just one overarching comment about, as you consider all of these issues around what's required for the board for a quorum and for the board to act and for committees to act, if you go back to kind of first principles and look at the CWG proposal, the concept, you know, we think the concept was for the PTI entity to be subsidiary-like, to be controlled by the ICANN body subject to all the accountability mechanisms that sit above, you know, through ICANN and the EC.

So if you think about it that way, if that's right, and maybe you disagree with that, but if that's right then it seemed to us that it was very important, at a minimum, very important for the so-called independents, the Nominating Committee directors, to at least have a seat at the table when these decisions were being made which is why we said they should at least be part of the quorum. But maybe not control the decision. Maybe the control the decisions appropriately belongs with ICANN subject to the control mechanisms above.

But at least you're ensuring that the independents have a seat at the table. But, you know, again it's really – it's a really a question for you all but that's just one thing I wanted to say.

And then on the articles themselves, the only point there is a corollary issue which is what does it take to amend the articles, simple majority or something more than that. So, Jonathan, I'll turn it back to you.

Jonathan Robinson:     Thanks, Sharon. And thanks very much for both your and Sidley's work in doing this work and in taking us through this. So I believe that the group hasn't had sufficient time to contemplate these. Lise and I will meet tomorrow and come back to you based on this discussion with a proposed mechanic for dealing with this. I mean, we talked a little bit about the IOTF, the possibility of the chairs working with staff to draft up some initial answers.

Whatever the case is we need to work this through the CWG and make sure we are satisfied. But I think we have the right format to work with in terms of Sidley's questions and the table. It's really now a matter of trying to work a process which is timely but thorough. And so we'll come back to you and work on that with you.

So I think that concludes this Section 3 of the agenda. And Section 4 represents, in some ways, probably more an update. And so, Sharon, if you are able to stick around for this there may be areas which you are able to contribute on. And so if we could deal with Section 4 with you present that could be helpful. Thank you.

Here you'll recognize the way in which we've worked, and we might need to deviate from this a little bit as a CWG going forward, the way in which we've worked to date is that we've been very through and very careful about constructing requirements from the CWG, channeling those through the client committee and using the client committee really as an administrative and organizational function for directing the work of the lawyers and channeling that back to the group.

There's no – I'm not proposing that we change that, that seems to have worked for us to date and worked well. But I do think we need to recognize that as has happened recently, with the whole ICANN bylaws process, we may – we will probably need to find a way whereby Sidley and ICANN interact directly in order to make more fluid progress on some of these or more efficient progress on some of these points. But I think – that won't mean that we don't get clear reporting as in these tables and the other table in fact where Sidley has a series of questions for ICANN and I'll get visibility of any changes.

So this Section 4 really deals with detail on the recent work of the client committee. And we've just talked about one of the key PTI formation documents, that's the PTI bylaws. In addition, there are the articles of incorporation and the last point in this table you've seen deals with a question that Sidley had for us on the articles of incorporation and then there is a draft of a conflict of interest policy being prepared which I understand we have not yet seen but in many ways is likely to mimic documents we're already familiar with in the ICANN context.

The next key document, and in fact is currently and this is the point, is currently in the form of two documents. I think we had previously envisaged that ICANN would have a contract with PTI to perform the services required.

ICANN has proposed, and Sidley has questioned, and we don't have a resolution on this yet, that there are in fact two contracts between ICANN and PTI. One for the – in fact – and let me make sure I get the form of wording correct here. And, Sharon, put your hand up if you're able to describe it while I look it if you feel able to just highlight the difference between those two

contracts. Or, Trang, maybe you – I see a checkmark there. I'm not sure if you're intending to put your hand up. Go ahead, Trang.

Trang Nguyen:     Yes, sorry about that, Jonathan, I clicked the wrong button. Yes, I think we currently envisage four different contracts. There would be a subcontracting agreement for the protocol parameters function; a second subcontracting agreement for the number function; a direct contract between ICANN and PTI for the naming function and then a, if you would, an intercompany services agreement between ICANN and PTI that would essentially spell out the terms of the secondment as well as the shared services arrangement and the financial arrangements, that sort of thing.

You know, the type of support – operational and infrastructure support that ICANN would provide PTI in order to – for PTI to perform all three functions. And I believe that Sidley has reviewed that sort of, you know, contractual arrangement and has suggested that perhaps the naming functions contract and the intercompany services agreement could be combined into one contract.

And we are taking a look at that and just wanting to make sure that if we did that, that that would not have a negative impact on the subcontracting arrangement that we would have and/or how we could then address or if there were going to be impact how we would then address the subcontracting arrangements. So essentially that's the thinking that we had in laying out the four different contracts and we're taking a look at the recommendation that Sidley has made.

Jonathan Robinson:    Thanks, Trang, for articulating that so effectively and in essence, in my view, there are – there is one, if you like, surprise there, and that is the fact that the third and fourth entities are separate or third and fourth contracts are

separated. And as you say, there's consideration being given now to whether that is or is not necessary. Sharon, go ahead.

Sharon Flanagan: Yes, thanks, Jonathan. And just I think people probably saw my email about this but just to highlight for the group why it's important is that we always envisioned a single contract that, you know, we envisioned was called PTI contract to cover all the entire relationship between ICANN and PTI and instead now there's two contracts contemplated.

And the issue is that the ICANN bylaws where they speak to what ICANN can do with a contract without going to the community is the ICANN bylaws only cover the PTI contract. So if we separate these into two contracts then that services agreement is completely uncontrolled, there is no community function on that. And we don't think that is consistent with the CWG proposal.

We think the CWG proposal intended that that entire set of obligations would be covered in one contract and that that would all be subject to the community mechanism.

Jonathan Robinson: Thank you, Sharon, for adding that additional perspective and clarity on it. And so really this is in a state of some discussion. And I think in some ways, whilst that doesn't preclude anyone from the CWG providing any input or thoughts at this point, the discussion is live and it's also connected to a related discussion which is the secondment of ICANN staff to PTI to provide – in other words, to providing the staffing of PTI as opposed to the transfer of staff who were formally working within the old IANA function into the new PTI function.

It's currently proposed that such staff would be seconded. And, again, this is a part of the live discussion with ICANN and I guess at the kind of iterative speed that the IOTF was set up to discuss. So that's what's going on at the moment.

Now Paul Kane, your hand is up so let's go to you and then Trang, your hand is up again so I'll come to you next. Go ahead, Paul.

Paul Kane:      Thank you. I hope my microphone is on. Can you hear me?

Jonathan Robinson:     We hear you, Paul.

Paul Kane:      Great. Yes, I think you've just articulated the point I wanted to raise in that it was envisaged, I believe, that the staff would work not on secondment but were actually full time employees and PTI was a separate entity. And I personally am not opposed to secondment, I see benefits for both the ICANN employees in having a secondment agreement to ensure stability of employment.

But I have to say within the ccTLD community I'm a minority voice. So it would be very helpful if this whole issue of shared services and the rationale for secondment and that additional contract that you are now referring to is the justification of that is made very clear so we can share that in a learned way with our respective communities. Because as Jonathan was indicating, I believe the CWG proposal originally only envisaged there would be a contract for service.

And the staff would be employed directly by PTI and PTI would have its own infrastructure to be able to deliver services, a standalone affiliate rather than just being almost a separate department, which I understand it is today. So we

just need to make sure, as representatives, we have the information to inform our communities because it's a significant change from the messaging that the communities – or CCs, certainly, have been saying to us, the representatives. Thank you.

Jonathan Robinson:    So just to make sure we are 100% clear on the status quo, the status quo is that Sidley has questioned the two separate contracts. ICANN is thinking about that and that's a matter of live consideration. Secondly, with respect to secondment, it is currently ICANN's position that secondment is the desirable way forward and ICANN will provide a more detailed and comprehensive rationalization for why and that document is outstanding and subject to further discussion.

Trang, why don't you come in here. You've been patient so go ahead.

Trang Nguyen:    Thank you, Jonathan. I actually was going to make a comment on the contract. I want to make sure that the group understands and that PTI is not going to just be performing the naming function and in fact, you know, based on community feedback we've agreed that PTI would be performing all three IANA functions and so the contractual arrangement that we have between ICANN and PTI have to account for PTI to be able to perform all these three functions and not just the naming function.

So in fact, you know, even if we combined the naming function – naming function contract with the intercompany services agreement as per Sidley's suggestions, there will still be three contracts that's contemplated, there will still be the two subcontracting arrangements with the – for the protocol parameters and the numbers and then one for the naming function.

So I just want to make sure that we're clear on that and also because PTI will be performing all three IANA functions we need to make sure that whatever support and arrangements that we have for PTI that's contemplated to support all three functions can indeed be reflected within whatever contractual structure we have.

You know, so just wanted to raise that point, and also that although the CWG proposal may have contemplated just one contract, I believe the ICG proposal did – the ICG proposal contemplated that PTI would perform all three functions and therefore there could be multiple contracts that would exist between ICANN and PTI.

So that's what I wanted – the comment I wanted to make. Thank you, Jonathan.

Jonathan Robinson:    Thanks, Trang. And thank you for reiterating that. I think I am clear and it is my sense that you have been clear in articulating how those four different contracts might work. And indeed whether there is a necessity or not. And it may be that there is a convincing argument. Let's be clear, it may be that there is a convincing argument and that Sidley's concerns can be addressed for the separation of those third and fourth items. But that's – yes, but thank you for articulating and giving us that background.

Greg.

Greg Shatan:    Thanks. It's Greg Shatan for the record. We've managed to I think intertwine several related but not entirely identical issues. I think first there were earlier indications that a shared services model and shared services agreement would be put in place given that – for reasons of scope and scale an entity the size of PTI would not necessarily, you know, cost effectively have, say, a fulltime

HR person or other types of full time enterprise-level services that they might get and thus it would be, you know, cost effective and convenient to have shared services provided by ICANN.

That's really independent of the issue of secondment. There could be employees rather than secondees and still have the need for shared services on basically a, you know, as a practical matter. You know, looking at the costs of standing up PTI as a completely self-contained entity with only is own employees and only its own services is – I don't think that exercise has necessarily taken place but clearly on the services side there would be some, you know, significant, you know, excess costs. There may be other ways to work that out. But the shared services concept, you know, does seem logical.

That said, I share Sharon's concern and Sidley's concern that due to the structure and maybe, you know, a slight oversight as we were, you know, preparing the revised bylaws, the shared services aspect of the relationship has – if it stays a standalone agreement has somehow avoided community oversight, which was not the intention.

So there needs to be a solution and making it part of the ICANN names PTI agreement is one of them. But there needs to be a solution, you know, to have community oversight. It may not be appropriate for the shared services to be solely in the names agreement since the shared services are being provide to PTI as an entity and not merely as part of its names support function. But there are – I think there are other ways to skin that cat, whether it could be, you know, listed as an addendum or incorporated by reference or the like, the other solution, which is not so palatable is to revise the bylaws to provide that oversight.

And one would assume that perhaps the numbers and protocols communities would also want some oversight over that shared services agreement but that's, you know, another consideration perhaps for another group. But I think we need to kind of examine these issues separately, not look at them all as one big lump. Thanks.

Jonathan Robinson:    Thanks, Greg. And I think, you know, to some extent it's premature that you bring this while it's still a live discussion but I think it's been very useful to add these thoughts. And note particularly Chuck's point that the concept of shared services has been raised for some time via the finance people. But nevertheless it's the contractual structure that's now under discussion. And it's useful to at least get a last warning of this.

So let's hear from Avri and then perhaps draw a line under this for the moment. Go ahead, Avri.

Avri Doria:        Okay thank you. Avri speaking. Yes, I just wanted to make a few comments. One, in terms of the contract it seems obvious to me that in terms of the services for the non-names and as for numbers and protocols that indeed could be a separate contract because that doesn't need to be, in fact, mustn't be, under the same accountability structure. So that one – so separating, you know, those off seems quite natural.

And the only other thing I wanted to bring up is that in terms of the secondment I think we have a whole lot of complexity to look at still not only the issues that Greg brought up, though I have no interest in skinning cats, but also in terms of we talk about employees as sort of a single entity whereas in the IOTF I – and I think possibly others have brought up the issue of is the president an employee of the same class as the others and does the fiduciary responsibilities of a president to the board differentiate that character.

And also the whole issue of going further, though Greg alluded it, is can PTI hire PTI-only employees or must for all time all employees be seconded. And those are issues that are just beginning to come up and there are probably others. Thanks.

Jonathan Robinson:    Thanks, Avri. And note Alissa's point in the chat about the other communities being clear that ICANN can arrange its internal business with its own affiliate as it sees fit. And providing that the primary agreements are being fulfilled. And so to that extent those other two agreements are outside the scope. It's really the issue of this group. It's really the issue for this group is whether or not there is a problem with the shared services agreement being separate to the naming functions agreement between ICANN and PTI.

So more to follow on that but it's useful that there's been an initial airing of that in and around the ICANN PTI contract. On IANA IPR there was a separate group working on this. And there was a collaborative group, in fact, as you'll remember, working between the different operational communities. And that group worked up a document as sort of heads of terms type document which was then certainly from our perspective, that is the names community perspective, it was contemplated that this would be reviewed in some way in sequence by the different groups with some legal input.

In the end our progress wasn't as fast as we perhaps envisaged so we, with your agreement, got Sidley to review the IANA IPR document and that should be with you or very shortly with you. But in essence Sidley has provided a review and comment on that that we have yet to discuss with the other operational communities and may not have even been received by you yet in the CWG. It will be with you shortly if it isn't already with you.

And then finally under the sort of client committee work, there's been some special consideration given to some points in Annex C, Sections 7 and 8, that were raised directly with Sidley. And I just wonder whether it's worth going into any detail now. We've given this quite some consideration and it's fully transparent and available.

But in essence it was making sure that full consideration was given to the points raised in Annex C of the proposal in Sections 7 and 8, which was to do with the – in a sense the autonomy of the ccTLDs and the fact that ccTLDs may be operating outside of contract with ICANN in a way that is different to the gTLDs and making sure that that continuity of that principle was retained.

So if I haven't captured that adequately, Paul, or Sharon or someone who's been involved directly in that discussion feel free to raise your hand. If I have covered it satisfactorily then so be it.

And note Avri points out in the chat her concern that the bright line between PTI and ICANN is becoming harder to find. And this is going to a delicate wire to walk because, as you know, PTI is controlled by ICANN and was necessarily so in order not to be separate from ICANN and that's the line we've got to walk. We've got to accept the control, yet ensure the distinction. And it's a form of art that I think Sidley is aware of and hopefully we are aware of and can walk that line but we need to vigilant on it and, Avri, your point is well taken.

So that covers the recent work of the client committee and what's going on there. So the real live work will be in and around the PTI formation documents and the contracts and then the IPR work. And so that will be an ongoing effort.

I think that closes Item 4 unless I see anyone else with a hand or a point to raise. Trang, you'd like to come back. So please come in at this point.

Trang Nguyen: Thank you, Jonathan. Yes, I'd like to just come back to your point around needing to find a way for ICANN and Sidley to interact directly to complete all of the legal work related to the PTI formation document and the PTI contract. I fully support that approach. I think it will be building upon the very excellent collaboration that the two legal teams have established through the ICANN bylaws drafting work.

And I think it would make the process a lot more efficient, you know, without multiple layers of communications in between the two legal team. I think if we allow them to directly work with each other and resolve any questions etcetera, I think it would make the process go a lot smoother. And certainly any questions, you know, that needs to be raised to the CWG can still be raised. And if desired I think, you know, updates can also be provided to the client committee as desired.

But I think, you know, if we can find a way to allow the two legal teams to directly interact with each other that the process will be, you know, a lot more efficient and smooth moving forward. And we don't have a whole lot of time to work with, you know, so I think if we can find a way to make that happen that would be very beneficial.

Jonathan Robinson: Thank you, Trang. And personally, I don't have a concern about that in particular. Let's hear if anyone does or anyone would like to add anything on that. Chuck, go ahead.

Chuck Gomes: If somebody has something to add I want to go back to IANA IPR with a question so I'll pause and see if somebody wants to respond to your request.

Jonathan Robinson: Chuck, well let me say that, you know, my sense is, having worked on the client committee and through the CWG with Sidley for some time is that Sidley are very clear that their objective is to have our interests, the community's interests, in front of mind and to reflect the essence and spirit of the proposal developed by the community.

So personally I don't feel concerned about that. I think it's in the interest of efficient progress. And I feel satisfied that Sidley will come back to us via the client committee with any concerns or issues or matters of substance. So that's my take on it.

Paul, go ahead if you have a direct response to this before we go back to Chuck.

Paul Kane: So I am very happy in the interest of efficiency for the two lawyers to – two lawyer firms to get together and try and find suitable and appropriate language. But I just want to highlight Avri's point as well, that we were very careful in drafting the CWG proposal and I recognize what you say that, you know, ICANN has a controlling interest in PTI.

But I hope that does not mean to say that the community's voice will be lost because it's ICANN corporate that has the controlling interest, not the community. And so I think the questions that Sharon raised earlier in the earlier part of the call were very sanguine. And I think basically the – we need to give very clear direction to Sidley based on Sharon's documents so that there's some real meat for Sidley to go back to ICANN with.

But once they have clear direction from the CWG, then yes, by all means, have the lawyers talk to each other. But I don't think we're quite at that point

yet. Bear in mind Sidley's excellent review and the guidance that's being sought. So my real question is how can we help facilitate clear guidance to Sidley so that they can have that dialogue with ICANN and ICANN legal? Thanks.

Jonathan Robinson:     Clearly, as you highlight there, the table is not yet populated and we need to come back and we'll do so shortly to the group with a plan to get that table populated, and we've discussed that to some extent here with the prospect of potentially Lise and I taking some form of lead and/or with the ideas and help of that group which is comprised of drafting team leads.

Separate to that, I think there is the prospect of Sidley talking directly to ICANN whereby there are new questions and issues to raise and, for example, in and around this separation of the ICANN PTI contract and the shared services agreement and the rationale or not or the ability to work with us.

So I think there are different tissues and my thought is that this should not preclude just the fact that this table in front of us now is not yet populated, should not preclude Sidley having dialogue direct with ICANN over other issues. But I take your point, there's no way this is about to be a negotiation between Sidley and ICANN on the points that Sidley has explicitly asked the CWG for comment and input on.

And moreover, there is a separate table which is not in front of you at the moment, which will be maintained for transparency where Sidley has asked specific questions of ICANN legal. And so I think we have a mechanic, it's probably a good idea to summarize that in writing to the group, but I think we have either a mechanic to work with and/or the kernel of such a mechanic. So hopefully we can make that all work out.

Okay let's move to Chuck's point then and open that point. Go ahead, Chuck.

Chuck Gomes: Thanks, Jonathan. On the IANA IPR, as everyone probably knows, Lise distributed the Sidley feedback on the IANA IPR and in particular on the – using the IETF Trust this morning. After a quick look at that, just like with the input they gave on the PTI agreement – agreement itself, it looks really constructive to me. My question for you and Lise, Jonathan, is will the client committee deal with the responses that are needed for that? Is that the way that's going to be handled? That's fine with me. I just was curious show that's going to be managed.

Jonathan Robinson: Thanks, Chuck. That's a good question. And actually I'm not sure I have the answer for you right now because the way in which that was managed was the way in which the original document was drafted was in conjunction with the other two operating communities, the CRISP and IANA plan folks. So this is not simply a ball in our court. We need to – it's a form of I guess negotiation and work with the other two groups.

So actually the group that worked from our – from the CWG was indeed the client committee from memory. It was Greg, Martin, Lise and myself. So to that extent the client committee is involved and plugged in. But that was how that process was managed. But we haven't – it's so hot off the press the response – in fact, to be honest with you I haven't even reviewed the – personally had a chance to review that document yet so I'm a little uncertain.

Lise has written to the other two groups today and said, look, we've received the input. Here it is. How do you suggest we proceed? So that – the mechanics for dealing with that is a work in progress at this stage. So I hope that's a satisfactory answer for now.

All right, I think that deals with all of the matters being dealt with by the client committee. And then there is – just really just a more for your information point on Item 6 which is the one – or Item 5, the project cost support team.

The co-chairs of the – of both CWGs, Accountability and Stewardship, received a report from Bernie Turcotte, who's working with ICANN finance, ICANN legal and others, to really report in detail on expenditure. And this – you'll be aware this – the Board Finance Committee expressed obvious concern at the – both the size of the financial commitment have had been made to support the transition and some concern over the control of that financial expenditure.

And so we've received a report. There's a group called the project cost support team that is running together with a couple of other staff members. And the idea is that there is transparency of cost reporting. What's still not 100% clear is how adequate controls are in place and who exactly is responsible for managing those controls.

So I felt that we should give you an update and probably share that document with you. I mean, the co-chairs have various concerns like the attribution of expenditure and how it's actually controlled. But there's no doubt that getting accurate and better reporting of expenditure is a first step in that process. Slightly ironically we would have less control if ICANN legal was working directly with Sidley, for example. But that may just be a natural consequence of the most effective way of working. And that's really I or we wanted to say on the PTST at this stage.

And so I guess that takes us to the point where we can call for any points under any other business. Does anyone else have any points of concern or issues of process of administration otherwise that they'd like to raise?

Alissa Cooper: Jonathan, this is Alissa. I do have a question. I'm sorry I'm not in Adobe so I can't put my hand up.

Jonathan Robinson: Go ahead, Alissa. Thanks.

Alissa Cooper: And I apologize, I had a conflicting call so if this was covered previously then just let me know and I'll read the minutes. But in terms of the timing of different implementation elements I was wondering if there's an update on the RZMA. I think, you know, originally it was going to be made public at the end of March and the end of May and now it's June. So I was curious if there's an update on that just thinking about, you know, the many different documents that still will need to go out for public comment potentially all at the exact same time, I was hoping that we would have seen that one by now so just curious about that.

Jonathan Robinson: Alissa, I think it's logical to pass that over to Trang to give a response to that question if you heard that question, Trang, it would be great if you could come in on that.

Trang Nguyen: Thank you, Jonathan. Alissa, we are working extremely hard with VeriSign to finalize just the last few remaining items; it's really down to just the minute details that we're just trying to iron out. And we are really, really close. So I would hope that it could be finalized within the next couple of weeks at most. And I know that I've said that before but we truly are very close, we're really down to just the very minute details on a few things. So we hope to get that finalized very soon.

Jonathan Robinson:    Thanks, Trang.

Alissa Cooper:    Okay thank you.

Jonathan Robinson:    Thanks, Alissa, for the question and keeping us on our collective toes about that. All right so this clearly – we've gone from a period of doing some fairly – whilst it's been busy some largely uncontroversial implementation work. It's clear that there's some detail now, while it's not necessarily controversial there's some areas that we need to pay attention to and give some direct input particularly in and around this table. And we'll attempt to work in this way so that the group can track the implementation and can contribute to areas like these questions and we'll come back to you shortly with respect to next meetings and so on.

Currently I think we are scheduled for two weeks' time again. And the question is, is that too long from now or will we need to do something in the interim. But as you now we have the IOTF meeting going on in the interim. So hopefully we can work with that current schedule and please feel free, as you always do, to contribute on the email list as well.

So thank you. I think that calls the business of the meeting to a close. Thank you all for your participation and hopefully you feel both updated and having been able to contribute as required.

Okay with that we can stop the recording and call the meeting to a close. Thanks, all.


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