HELSINKI – IANA Stewardship Transition Implementation Planning Update
Thursday, June 30, 2016 - 00:00 to 00:00 EEST
ICANN56 | Helsinki, Finland

UNIDENTIFIED MALE:	It's June 30th at 12:30 P.M. This is the IANA Stewardship Transition Implementation Planning Update in Veranda 1.

TRANG NGUYEN:	Hello, everyone. We will get started in just a couple of minutes. We are waiting for Jonathan to join us here and then we'll get started. Thank you.

All right. Well, hello, everyone. Let's go ahead and get the session started. I don't know, Grace, if we need to formally start recording or anything or if we're all good.

All right. Thank you very much.

Hello, everyone. This is the Transition Implementation Planning Session at Helsinki ICANN 56 Policy Forum. We have prepared for you today a few slides that will provide an update on where we are in terms of transition planning activities and then we've dedicated quite a bit of the session for Q&A at the end. So hopefully you've thought of some good questions.

But before we get started, we want to hand it over to Jonathan to say a few words.

JONATHAN ROBINSON: Thanks, Trang. Welcome, everyone, those of you that are in the room or online. I think we just want to make sure we remained oriented as to where we were. We're obviously getting to very much the business end of the implementation and as many of you will know and I'll remind you in case not, that the implementation is a staff-led project.

The CWG did its work, made the proposal, got that integrated with the other proposals and transmitted by the ICG and ultimately accepted by the NTIA.

We undertook, not unusual, but a unique arrangement in that we didn't commission an Implementation Oversight Team. We elected and agreed with staff that the implementation oversight would be undertaken by the CWG. That made a lot of sense in that there was the composite knowledge and experience within the CWG to do that.

And then as we got to the really sort of critical end of the process and based on our experience in Marrakech, we agreed to commission a smaller team to do the tight iterative loops of interaction over the implementation. And we call that group the

IOTF, the Implementation Oversight Task Force, which is really made up of the co-Chairs and the former Design Team leads.

That's been, I think, working very effectively since Marrakech. We've been meeting regularly, up to two times a week with the staff and we've been continually cognizant of bringing any material decisions back to the CWG for either discussion and/or ratification. So that does seem to be working. I think we've built a good mechanism that, together with the client committee linking in with the legal advice, and that all seems to be working well.

But nevertheless, it was felt that this was a useful opportunity to take advantage of being at an ICANN meeting or be primarily at a policy meeting to create an update session.

The session was put in place relatively late on and is not formally part of the schedule in the sense that it wasn't set up and widely publicized. So what we will do is we'll record it as we do with all of these things and then make sure that that is well communicated to the CWG and anyone else who's tracking the work of the CWG so that it's as clear as possible what's going on and the opportunity to comment and question is given.

So with that sort of introduction, and I should probably convey the apologies of our co-Chair Lisa Fuhr who had, prior to the arrangement of this meeting, arranged to head back yesterday

evening so is unable to be with us today. But she's fully briefed and knowledgeable about all of the issues and we're working closely together.

So thanks. I'll hand back to you, Trang.

TRANG NGUYEN: Thank you, Jonathan. And I presented this same deck to the ccNSO on Tuesday when Lisa chaired a session there so I know she's familiar with the materials that we'll be covering today.

Let's go to the next slide, please.

Next slide.

All right. So as you can see, we've tried to show you here in a graphical manner some of the progress that we have made since ICANN 55. And as you can see, we've made progress in all of the projects. There are 15 projects that are mapped across three tracks for the transition planning activities. And we've made progress on all of the areas and the Bylaws is actually one area that we have completed since ICANN 55. And you will be seeing a couple more checkmarks up there very quickly.

As you know, we signed the IR SLA Agreement with the IRs just yesterday so that will soon be reflected as a checkmark and

we've also signed the IETF MoU supplemental agreement with the IOTF so that will be reflected as a checkmark as well.

I guess this is news that will be coming out very soon anyway. We are getting ready to post the Root Zone Maintainer Agreement with Verisign in just a few minutes here. So that will be coming out and we'll be seeing another checkmark there. So good progress since ICANN 55.

Next slide, please.

So we want to start talking about PTI, which is one of the main components of the CWG Stewardship Proposal. It's the Post-Transition IANA. And this is an area where there has been a lot of work and a lot of discussions with the IOTF and the CWG recently.

Just as a reminder, the PTI is going to be a new legal entity that will be an affiliate of ICANN. ICANN will be the sole member of PTI. It will be domiciled in Calif0rnia and it would have a 501(c)(3) tax status which is the equivalent of a non-profit in California.

PTI is a legal entity where half is on Board of Directors and the Board of Directors will be comprised of five directors. Three will come from ICANN or PTI staff and two will be selected by the ICANN Nominating Committee.

In the interim, Jonathan and Lisa will serve as the interim directors. That decision was agreed to by the CWG quite a while ago.

The officers for PTI will be appointed by the PTI Board. There will be initially three officers, the PTI President, the Treasurer and a Secretary.

Staffing of PTI is an area where we have had a lot of discussions with the CWG. ICANN initially proposed that all staff of PTI be seconded ICANN employees at the time of transition as well as on an ongoing basis.

There was some support for the proposal, but there were also some concerns expressed by some members of the community that that proposal would not necessarily achieve the level of separation desired and intended by the CWG proposal.

So after careful consideration of those that were in support of the proposal as well as those that raised the concerns, ICANN developed a revised proposal. And the revised proposal essentially would be that at the time of transition, ICANN would second staff to PTI to perform the IANA functions. But after the transition, ICANN would work to put in place the same benefits, preferably, and if that's not possible, as comparable of a benefits package as possible. And we would also work to put in

EN

place systems and processes to support benefits administration, payroll, etc.

So once all of those processes, systems and programs are in place, not to exceed three years after the transition, PTI would be required to offer employment to all of the seconded employees. And then once those systems and processes and programs are in place, any future employees would be hired by PTI as well.

So I think that would allow us to get through the transition in a timely manner and provide some continuity and stability there at the time of transition, but at the same time, set up a time bound path, if you would, to achieve the level of separation that's desired by the CWG.

That revised proposal from some of the feedback that we have received looks to be a good compromise for the community. So I think we may have identified a move forward path there. I think, Jonathan, we want to take a look after the Helsinki meeting and see how we can close the loop on that so that ICANN staff can move forward with executing. But I think we're very close there in terms of closing the loop on the ICANN staff topic.

EN

JONATHAN ROBINSON: Good. And I think it's probably timely then to acknowledge your responsiveness in that because it's quite clear that there was, from your point of view, from purely executing the transition, that it was more simple and elegant to stick with the secondment, but it was clear that there was sufficient discomfort with that. And it's great that you were able to respond and pick that up.

And I hope that the IANA staff will feel recognized. I think it should be very clear that their work to date is recognized and this was in no way, and my reading of it was, it was in no way intended to either not recognize that or make them feel in any sense destabilized by it. On the contrary, it was about faithfully as possible implementing the community's proposal so hopefully, that's all now properly understood and recognized.

TRANG NGUYEN: Chuck, would you like to chime in?

CHUCK GOMES: I just want to thank the ICANN Team for the quick response on that, the latest proposal. That was very much appreciated. I think Akram has been assuring us all along that you were going to be responsive, but that was really good.

TRANG NGUYEN: Thank you, Chuck.

All right. And then I guess the only other item to cover on this slide would be that in terms of share services support, that will continue to be provided by ICANN via the Inter-Company Services Agreement that will be in place between ICANN and PTI. And then after the transition, once PTI is in operation, the PTI Board may review that arrangement and recommend any necessary changes that they feel would be most beneficial for PTI.

Next slide, please. Thank you.

So this graphic is something that we've circulated and shared with the CWG and it outlines sort of the contractual relationship between ICANN and PTI. It's currently anticipated there would be four contracts between ICANN and PTI. There would be a direct contract for the naming function that would allow PTI to perform the naming function. There would be two subcontracting agreements for PTI to perform the protocol parameters and number services. And then there would be a fourth contract that would set out essentially the terms of secondment and some of the terms around the shared services arrangement. And that would be called the Inter-Company Services Agreement.

I understand that it simply has raised concerns around whether or not the naming functions contract should be combined with the Inter-Company Services Agreement. We provided an explanation as to why that should not be combined and that would still be consistent with the language in the Bylaws and we'll continue to have conversation to iron that issue out.

Next slide, please.

At a high level, this is what it would look like post-transition. You would have ICANN in the middle there and then there would be PTI as a separate legal entity. There would be agreements between ICANN and PTI. The oversight of PTI will be performed, at least the performance of the naming function by PTI, will be performed by the Customer Standing Committee or CSC. And that's empowered via the ICANN Bylaws.

The Protocol Parameters and the Numbers community would have direct contracts with ICANN that would set out the terms and the Service Level Agreements. And then in turn, ICANN will subcontract those service obligations to PTI.

The oversight for the Numbers and the Protocol Parameters services are specified in the contracts between ICANN and those operational communities.

RUSS MUNDY: Trang, nice graphic. I like that. One of the things that's being discussed right now is the RZERC. I don't see it on there. Could you point to where it would be or am I just missing it?

TRANG NGUYEN: Thank you, Russ. Yes, that was Russ Mundy. And if you speak, please announce your name for the transcript. Thank you. No problem.

Russ, so yes. The RZERC is not reflected on here, but essentially, the role of the RZERC is to provide the ICANN Board with advice relating to the very technical, sort of architectural and very technical operational changes to the root zone. And it would be, advisory body is not quite correct because it doesn't have the advisory status as the RSSAC or SSAC but it would consider those sort of technical issues and then provide a recommendation to the ICANN Board to then act on. It's essentially to replace NTIA's current role, if you would, in approval of those types of changes.

RUSS MUNDY: Thank you. If there's a way that it can be included in the graphic, I think that would be helpful because as we talk about these various charters and what they connect to what, seeing that it is, indeed, pointed towards giving advice to the ICANN Board as

opposed to the PTI Board because some people have had that thought in their mind, I think it would be helpful to have that.

TRANG NGUYEN: Good point. We'll look into that. Thank you.

Next slide, please. Chuck, please go ahead.

CHUCK GOMES: Just a second while we're on that slide. Because Donna's not here because she's got a GNSO Council meeting going on right now, but in the GNSO Council meeting that probably just finished 20 minutes ago and they're now in their wrap-up, the GNSO Council went over a very thorough schedule for completing the staffing from the GNSO's perspective with regard to this to meet all the deadlines. So I'm just communicating that it's a tight schedule, but there seems to be support from the Council to live up to that tight schedule.

TRANG NGUYEN: Terrific. Thank you for that, Chuck. And I think you're referencing the schedule to point members and liaisons to the Customer Service Standing Committee. Yes.

Next slide, please.

All right. So as I mentioned, the Service Level Agreements with the protocol parameters and numbers communities will be specified in the contracts that ICANN will have with those communities. For the names communities, we are working on defining those Service Level Agreements.

The step to doing that is quite long. The CWG Design Team A, I believe, had defined a new set of SLAs, essentially measurements that we're currently not collecting that they want us to start collecting. And so those were defined which required ICANN to make some system changes in order to accommodate and those system changes were deployed back in March, if you recall, in early March.

And so we have been collecting data via the new SLAs that have been defined for, gosh, it would be close to four months now I think. And data collection has been going well. The team is actually looking at aggregating and reviewing the data that's been collected and then proposing a set of Service Level Agreements. And that was the approach that was agreed to with the DTA in Marrakech. So we're on track to do that and provide that back to the DTA by mid-July.

And then once that's provided, the DTA will review and we'll have any necessary conversations to nail down the Service Level

Agreements and then they will ultimately go into the ICANN and PTI naming functions contract.

Next slide, please.

So Chuck referred back to the Customer Standing Committee a little bit earlier. So the Customer Standing Committee will provide oversight of PTI's naming functions performance. Essentially, it would review reports on a monthly basis to make sure that PTI is performing in accordance with the Service Level Agreements and with the naming functions contract.

We issued a request to the appointing organizations which would be the ICANN SOs and ACs as well as the Registry Stakeholder Group to appoint members and liaisons on June 1st. And as Chuck mentioned, it was a tight timeline and we had asked for appointments to be made by July 22nd so that those appointments can then be sent to the ccNSO and GNSO Councils for them to deliberate and sign off on the final slate of members and liaisons for the CSC by August 10th.

One of the reasons why we needed to have the CSC formed as early as possible is that there is some work for the CSC, preparatory work if you would, that the CSC would need to do prior to October 1st. And one of the pieces of work that it would have to do is finalize the remedial action procedures with PTI or

ICANN or IANA. And that's one of the new escalation mechanisms that's called for in the CWG proposal.

Some of the other things that it would have to do is define these operational procedures if it needs to create any and then work with ICANN to build a web portal where it can do it's work and then put in place secretariat support, etc. So there's some prep work that the CSC needs to do prior to 10-1.

Next slide, please.

Jonathan?

JONATHAN ROBINSON: Thanks, Trang. So there's clearly some preparational work to be done and I guess we're going to have to make sure it's clear where the work, how much the CSC stands alone and directs and does it's own work and how much of that is going to be and where else. We're in this sort of project management and implementation phase and you're checking that all of these things are getting done.

One of the things that strikes me is the sort of post-set up and once we get running, we're going to need to be clear where that's either a new, I think, requirement from within the IANA staff or we're going to have to make sure that the Board is aware of this requirement, just its coordinator because we've got a new

body up and running and making sure. It may be that it just is sufficiently self-standing and self-sufficient but, I guess, what we wouldn't like to happen is that somehow its regular meetings, or… Anyone have any thoughts on that, how that will happen? Chuck?

CHUCK GOMES: Well, I'm just going to agree with what you're saying and I'm going to say it a little more strongly. I don't think we should assume that it'll just be self-functioning. We should take whatever steps are needed to make sure that that's the case. So I'm not sure how the best way to do that, but we should be thinking about that between now and the time that they're formed.

JONATHAN ROBINSON: Yeah. It sort of strikes me. What became apparent as Trang was talking about that, you've got a whole "we" in an implementation phase and in years one and two, we'll be in a sort of, whilst in many ways, everything stays the same, in other ways, many, many things, everything has changed. And so it's a matter of knowing, making sure that the bits that have changed like the implementation of the CSC continue to function as we might have envisioned. So I think that's going to be the challenge. Just make sure we have the right processes in place

between a combination of IANA staff, PTI Board, if you like, and/or ICANN staff in terms of any of the support functions to just make sure this operates smoothly. So I think it almost feels like there will be a more intense phase during the initial year or so while we get these new processes up and running.

CHUCK GOMES: It seems to me it would be a very good idea for staff and with cooperation from this group, to prepare – I don't think it's a very hard task – but to prepare a list of initial action items for the CSC so that they have that right from the beginning and the deadlines for those kind of things so that we don't, again, not just assume that it'll be self-functioning but help them.

JONATHAN ROBINSON: So it's exactly that. I think that the concern that's just occurred to me is that we work very much up until D-Day, transition day. And then we don't necessarily recognize that the project as such continues post that, that we're so focused on getting in shape for that end point and it's just the continuity of some of those points. So yeah.

ALLAN MACGILLIVRAY: I just wanted to second what Chuck said. But also too, I think we have to discuss if CSC is going to get formal or informal support

from ICANN/PTI staff and in particular, if there are some tasks that have to be done immediately, we should be very clear on who they can approach to support the in that work. So we have to put that on the list of things to do. Thanks.

TRANG NGUYEN: Thank you, Allan and Chuck and Jonathan. So a few things to clarify: the CSC, even though it would be formed by mid-August, it actually won't become a formal recognized body until the transition takes place, until 10/1 because this is a body that's empowered via the ICANN Bylaws. And so technically, this body won't have any ability to do any real work until October 1ˢᵗ.

One of the things that's required in the CWG proposal is for the CSC to have Secretariat support. And so that will be provided to the CSC to help them facilitate and manage their ongoing work. As you can see up there, PTI will be one of the liaisons on the CSC so there's linkage there.

And then via some of the escalation processes that's been defined in the CWG proposal, the PTI Board is one of those escalation steps. So the process is pretty defined in terms of the escalations and when things need to occur and happen.

But you're right. I think that the first year, after the transition, there's going to be some learning that goes along with it and

foresight by those that worked on the CSC. I think they planned on having a review of the CSC Charter one year after the transition to determine, look at the charter itself, but also looking at the CSC and how it's working and whether or not it's achieving its intended purpose.

CHUCK GOMES: So I understand what you're saying about the official work starting on October 1st, but it seems to me that if we have to wait until October 1st for the CSC o meet for the first time, that would be a mistake.

TRANG NGUYEN: Agreed, Chuck. And my team, the Implementation Team, will continue to provide support and bridge that gap between when the CSC is formed to when it becomes – until 10/1 into the transition.

MATTHEW SHEARS: It's interesting because as a part of our work, we talked about a transition plan to a successor functions operator but we didn't actually talk about a transition plan into this next phase post this transition itself. And I think that's probably what we need to map out now.

What is that set of steps? How do we get the CSC up and running? Maybe that's what we need to think of as a part of the transition, if you will. It's kind of complicated but it's the notion of mapping that out and seeing what we have to put in place. Thanks.

JAMES GANNON: I suppose the question then is who provides some of that continuation of the role that we're doing now into the post-transition period because there will still be questions. So "How does that work?" is possibly another question that we will have because there will still be interpretations of the proposal needed even after the transition as the initial steps are made. So what happens there?

JONATHAN ROBINSON: What would be an example of something like that?

JAMES GANNON: So for example, with the CSC stuff, I would see some questions around possibly the initial steps on operationalizing the role of the CSC as defined in the proposal into reality. So is there going to be an implementation oversight at that point or is that something that the CSC will just do itself?

JONATHAN ROBINSON: I'm open to other thoughts on this, but my initial thought is we do have to end of life this group at some point and we have to accept the transition. And I suppose one of the reasons we have a Board in place. And clearly, there's a set of staff functions which in many ways will continue as they were before. We've got the CSC. As Trang pointed out, we've got the CSC review and I guess, at that point, we're probably handing over the oversight to the PTI Board. That strikes me as what was intended, but if others see differently, it would be interesting to hear.

CHUCK GOMES: I suspect that staff probably will be a great resource for the CSC as they need help. So I would assume that. We could compliment that with, for example, people like Donna who is one of the co-Chairs, the only remaining Chair of the CSC Design Team, and just making not only staff but Donna a Chair or maybe Donna and some other member of the Design Team for a few months. Staff will probably always be the resource for them, but that might be helpful. I just throw that out.

AKRAM ATALLAH: Hi. I just want to make sure that we're not over-designing. I think that the clients have representation on the CSC in the two

ccTLDs and the two gTLDs. And therefore, their needs are going to be reflected on the CSC and the CSC is going to make these decisions on what needs to be improved, what SLAs need to be monitored more, how to move forward and improve things. So I'm missing a little bit of what the need is. Thank you.

CHUCK GOMES: Thanks, Akram. I'm not really talking about their primary duties. I'm talking about their transition into a functioning body, the procedure. What do we have to do? They're going to have questions. I'm not talking about their monitoring of SLAs and their primary duties. And it's really not an over-engineering issue, I don't think. It's just having some resources that they know they can go to because they're going to be starting from scratch.

TRANG NGUYEN: Chuck, if I can respond to that real quick. I have a couple of thoughts around that. As I mentioned during the bridge, meaning between when they're formed around mid-August to the transition occurring, I think staff, the Implementation Team continue to provide that bridge and linkage to the CWG and/or to Donna to provide any clarification needed. And then after the transition, of course, they will have a Secretariat. And so that's

the linkage back to ICANN and to staff to provide any necessary support from that perspective.

The other thing is the CSC is governed by a charter. And the CSC Charter document is actually pretty detailed. And there are also provisions within the ICANN Bylaws around how the CSC is to operate. So I think once it's formed post-transition, it's going to have to operate via its charter, in accordance with its charter and in accordance with what's in the ICANN Bylaws.

As I've seen through working with Donna and others in the formation of the CSC, I think there's been a lot of areas where there were clarifications needed in the CSC Charter and so I suspect that during the first year after the transition, certain matters will still come up and it will be up to the CSC to determine whether or not they need to define additional operating procedures to bridge any gaps that they identify. And if clarification is necessary or needed, again, I think there can always be linkage back to ICANN staff and others to provide need where appropriate and necessary.

ALLAN MACGILLIVRAY: Actually, just to go back to what Akram was saying, and I think how this whole discussion started was with a reference to the need for CSC to finalize its remedial action procedures by some time in the near future. And I think we envisage, perhaps, not a

whole new set of players but people who might not be intimately aware of how we got to this point with a need to have some immediate work done.

It's almost like somebody from staff has to give them like a briefing note or an agenda for the first meeting that says, "Dear CSC, these are the pieces of work that have to be done by this date and by the way, here's the charter" or whatever. In other words, just help them get going and it would be useful if someone in the staff said, "Okay, yes, I'll do that. I'll own that." Right?

And what I'm hearing now is Trang says she's going to own it until she can find someone else to do it. That's fine. But I think that's my takeaway. It's almost what's that piece of paper for the first meeting they have? Thank you.

CHUCK GOMES: Just to add to at least one point there, we don't know, the ccNSO or the GNSO, who the CSC members of even liaisons are going to be. It's quite likely that many of them will be coming up to speed then in terms of what their responsibilities are. So that's kind of what we're getting at. Yeah.

TRANG NGUYEN: Well, good. Good, healthy exchange on that. Thank you.

Root Zone Evolution Review Committee, or RZERC, as I mentioned before, this is the committee that would be providing the ICANN Board with advice relating to any technical changes to the root zone.

So the status on where we are with that is we currently have the RZERC Charter out for public comment for a 30-day public comment period. And I think we've received one comment so far. The last time I checked was before I left for the ICANN 56 meeting and we had received one comment.

Once the public comment period concludes, we will review and analyze the comments and then present the charter to the ICANN Board for approval. And then after the ICANN Board's approval, we will initiate the process to have the appointing organizations appoint members to the committee. And the composition of the RZERC is reflected there on the slide.

IANA IPR is another area where I know the community has spent a lot of time on. And our understanding of the work of the community that the community has done so far is that there has been ongoing coordination and collaboration between the operational communities to define the framework for the IANA IPR for the transfer of that and the ongoing management of it after.

It's our understanding that contracts, and I think it's going to be multiple contracts, will need to be drafted and that the operational arrangement for IANA.org needs to be agreed to and defined. And so as this is an area of work that's driven by the community, that's all of the updates that I currently have on this. Unless Greg wants to –

JONATHAN ROBINSON: Let me give a brief comment on that as well because as you know, there's been a group from within the CWG, essentially the co-Chairs and Greg Shatan have met. Oh Greg, you're here. I hadn't realized you were here. We've met on a reasonably regular basis, certainly a while ago, that we've had a hiatus in meeting with the other operational communities to talk about coordinating our work on the IANA IPR and everyone was able to get together more or less at this meeting, those of us that were here and we had a couple on the phone and we did talk through where we were.

I think there's two objectives, really. One is to practically solve the outstanding issues and try and work towards a concrete solution. And the other is simply a concern that we've been to date not necessarily communicating progress. So it's both the intent was to be able to make progress and be seen to be making progress.

So I think the sense there was very much focused on doing what needed to be done and taking things forward with the respective legal advice and so on, but also communicating effectively that we actually are making progress because there was starting to be a little bit of whispered concerns, I would say, that insufficient progress was being made. And so I'll probably write a note to the CWG anyway to make sure that the group is updated.

Greg, is there anything you would like to add to that? Does that cover it?

GREG SHATAN: Thanks. Just to emphasize, contract or I should say first drafts of contracts have been prepared by one of the three operational communities and those will be circulated to the other two shortly. So the third bullet can be updated.

The final framework with regard to the contracts is really finalized. There are a few outstanding issues to be resolved but they don't go to the structure of, at least the agreements that will be used. So that's maybe a little more subtle. But I would say that we have this principal terms document. I would say there are a few items to be resolved in it, but they do not relate to the contract so essentially the contract part of the principal terms could be viewed as complete. Any of the issues that were raised

there can be resolved in the drafting of the actual agreements. So we just need to resolve certain open items, but not related to the contracts themselves.

TRANG NGUYEN: Akram?

AKRAM ATALLAH: Thank you, Greg. I'm going to take the opportunity to ask a question about will there be a contract between the trust and ICANN for the right to use IPR or how do you envision that?

GREG SHATAN: The way that the principal terms document envisions is that initially the plan was to have a single license going from the owner which is presumptively IETF Trust to ICANN for use of the IPR with the ability to sub-license our sub-contract to PTI. The decision has been taken to instead put in place three largely identical but parallel licenses: one for names, one for numbers, one for protocol parameters, so that if there is a separation, it's more easily separable. But the three agreements, we'll start with drafting a single agreement and then just make small variations between the three.

So the contractual framework would be first an assignment agreement from ICANN to the IETF Trust. The trio of license agreements is flowing down and there will need to be some sort of sub-license or agreement between the PTI, which since it's a separate entity and an affiliate, and ICANN just to complete the circuit, so to speak.

And then lastly, there's going to be a community agreement so that the three communities can exercise effective oversight over the IETF Trust as the steward of the IPR.

CHUCK GOMES: Just to jump in, Greg, what's the status of the three communities working on the Sidley feedback that we got on this whole issue?

GREG SHATAN: We discussed the Sidley feedback. The next steps that we'll be taking I think will take place within the CWG. The two other communities have seen the Sidley feedback. We haven't had any feedback from them on the feedback. So we've avoided an endless loop of feedback which is good, but more in audio engineering than in drafting of contracts.

But in any case, we're going to, actually today, we'll be sending back to Sidley a table which the CWG Stewardship will see and which basically breaks down the key issues from Sidley's

EN

comments on the principal terms and we'll be setting up a call. I think we actually have a call set up with Sidley to go over these and to resolve them.

As I alluded to earlier, a number of these are kind of comments about things that need to be added as opposed to changed which really goes to the fact that the principal terms document was very high level and so some of their comments were essentially things that could be dealt with at the second level.

The issues that remain really go to some concerns about the suitability of the IETF Trust as is. But many of those could be, not to second guess what Sidley's response will be or dialogue with Sidley will be, some of these can be dealt with in a suitably robust community agreement. But again, those legal issues need to be resolved which I expect to the subject of conversation in the upcoming days.

CHUCK GOMES: Just one follow-up question because the IETF's been pretty clear that changes on their side are really not an option in the near term. Are we going to be able to avoid any problems there?

GREG SHATAN: It would be premature of me to say yes as we haven't had any feedback on the comments that came back when we sent the

Sidley comments along which raised or re-raised some of these issues. We didn't have any real response on that.

Actually, that kind of comes to the nub of the question that we need to deal with with Sidley which is have they raised a true infirmity or an issue that can be resolved in some other fashion, a workaround? I think the goal here is if a workaround is what's needed, we develop the workaround. If this is something that is somehow irreducibly troublesome, then we have to face the facts. Some things are a matter of legal interpretation and judgment and some things just are incorrect and improper. As long as it's the former, we should be okay.

TRANG NGUYEN: Thank you, Greg. Ken, please go ahead.

KEN STUBBS: Yes, excuse me. My name is Ken Stubs. I am just more or less here as a member of the community. And the reason I'm speaking is because there is a significant concern about the amount of funds that have been spent in this entire process, particularly as it applies towards legal fees. So I have a couple of questions:

Number one, is there a budget for this process?

And number two, who's doing the legal work for this process? Is it being kept in-house or is it going out to law firms?

I hope you all realize that here are approximately 20,000 man hours that has been built into this process by law firms already. That's ten man years. So I'm hoping that we're really working hard on using resources that are available to us and this whole thing isn't a matter of using lawyers because nobody trusts anyone else. Thank you very much.

JONATHAN ROBINSON: I wanted to make one response to Greg's prior point, just close that and then we can pick up on Ken's point about finances and I'm open to anyone, whether it's myself or someone from staff or anyone else making any responses or comments to that.

Chuck, to finish that previous track that you were on with Greg, Greg helped to create what I think is quite an elegant distinction to decouple the two problems because the one issue is what Greg talked about, was the party, the trust. And the other was the contracts between the communities and the party.

And by separating those out, we're able to continue work on the contracts and do the legal contractual work independent of the party. Now Sidley has raised some concerns which may or may not be fundamental to the party and we have to deal with those

in parallel and in the way that he described. So we've got an elegant way of continuing work and not getting stuck on some intractable point.

As Greg expressed, then the issue is to discuss with Sidley how, in essence, fundamental those concerns are or whether there are the workarounds that he described.

And now back to Ken's point. Ken, my understanding is that there is, notwithstanding past expenses, current expenses for this piece of work which is the transition-related work as opposed to Accountability Work Stream 2, there is a budget line that's in the following fiscal year budget and that will account for the expenditure that's required here. In fact, Xavier's here as well I see behind you so others from staff may well be able to answer this.

And in addition, there is a budget line item that deals with the proposed additional work on Work Stream 2. And there's quite some work. I mean, what I have heard is that there's quite a big wake-up call for everyone. Notwithstanding what was spent in the past, it's woken everyone up to more effective cost control going forward.

KEN STUBBS: Yeah. I was trying to keep the [inaudible] here rather narrow, this specific process. I understand that there is, I'm afraid that sometimes these auxiliary processes get buried and all of a sudden, you look down and there's $1 million in legal fees for transferring intellectual property which I have a significant amount of problem with. So thank you for hearing me out.

GREG SHATAN: If I could just respond briefly to that, I think with regard to Sidley's participation in this particular process, the principal terms document was negotiated entirely by volunteer members of the community. Sidley reviewed the overall conceptual issues with the trust a year ago or so, maybe six months ago. Sidley was sent the principal terms document after it was basically fleshed out by the IPR collaborative group which included myself and Jonathan, Lisa, others and then members, Alan Barrett, Andrew Sullivan, a bunch of folks representing numbers and protocols. And then that document was sent to Sidley who provided a single turn of comments. So any mentions of $1 million are just completely out of proportion with what's actually gone on.

I might have devoted, say, 50 hours to this. So at my usual hourly rate, that might be $35,000 but I'm not charging for it. Thanks.

KEN STUBBS: Thanks for the elaboration and $1 million was not an implication. It was only an example. Thank you.

TRANG NGUYEN: Thank you. Let's move on. I'm a little conscious of how much time we have left for this session.

Xavier, did you have any…

XAVIER CALVEZ: In one sentence, Ken's point is something that the entire community is very concerned about and at the end of the day, there is a lot of work to try to ensure that we have the best value for our money which is a composition of getting the benefit that we need whether through legal advice or any other type of advice at the best cost possible which speaks to the efficiency of how we obtain advice where it's needed and at the lowest cost possible. And there's a lot of work going on with the SO and AC Chairs to ensure that we have processes in place that allow to get the benefit and minimize the cost. Thank you.

TRANG NGUYEN: Thank you, Xavier. I guess this is our last slide. It's a slide to encourage everyone to engage and contribute. We currently have two items out for public comment, the Root Zone Evolution

Review Committee Charter as well as the ICANN Restated Articles of Incorporation. And then please volunteer via – submit your interest to be a liaison to the Customer Standing Committee. We have the information on our implementation page and the link is provided there.

And then you can also participate in following discussions. And we have the CWG Stewardship mail list as well as the Implementation Oversight Task Force, IOTF, mail list there. I know posting rights are limited to those that are members of the list which are, as Jonathan mentioned earlier, are the co-Chairs and the CWG Design Team leads. Actually, the membership of the IOTF also includes a representative from the ICG which is Lisa Cooper as well as a representative from each of the other two operational communities. But certainly, you can join as an observer to the mail list and follow all of the discussions that we have there.

And then, obviously, there is also the IANA IPR mail list. Again, that's a closed mail list in terms of posting rights but you can always join as an observer and follow the discussions.

JONATHAN ROBINSON: Okay. I guess are we going to go into Q&A now if there is additional Q&A.

TRANG NGUYEN: Yes.

MATTHEW SHEARS: Could you just give us a quick update as to where we are in terms of the items that were identified as part of the NTIA report from the COSO process framework? And also, how are we communicating the elements that have been satisfied or completed to NTIA because obviously there must be a process for doing that and I'm just not aware what it is? Thanks.

TRANG NGUYEN: Thank you, Matthew. Akram actually did a blog on this and we circulated that blog as well as the table that summarized the 11 yellow items that were in the NTIA COSO report to the CWG mail list. And if memory serves, I think of the 11 items, two have already been accounted for and no additional work is required. And I believe six items are part of our ongoing implementation work plan, so it's already being accounted for and will be in place by the transition. And then three items we identify as those items that would be implemented after the transition.

So we actually did share our plans around those 11 items with NTIA and they did not raise any issues or concerns with regard to our plans. And in terms of the six items that's been already

accounted for in our ongoing work plan, we have regular touch points with NTIA and will continue to update them on that.

And as part of our August 12 report to NTIA, we will also be providing an update on where we are with the implementation of those items. And Akram?

AKRAM ATALLAH: Yeah. The most important point is that these items are not required by NTIA so we think they're good and we want to address them, but they were not a requirement. Thank you.

TRANG NGUYEN: Akram.

AKRAM ATALLAH: Yes. So I was thinking about the issue that Chuck brought up about how do we hand over from the current team to the CSC. And one practice is to actually, for the Registries Stakeholder Group and the customers of the PTI to basically at least maybe assign somebody from within this team on the first CSC and maybe do a rolling change so that there is always somebody from the current team here on the IETF that is participating on the CSC for at least a while until new blood comes in and that there is a rhythm for that. So that's maybe a consideration for

the voting or for the members to put in place as they select their representatives.

CHUCK GOMES: Thanks, Akram. And yeah, I'm not looking at something really complicated. I don't think any of us are. But rather, and this kind of goes back to what Jonathan said, instead of just assuming that they're just going to day one, be up and running, just a little bit of thought and ideas like yours and between now and when the time before they're even official, just some simple steps and resources available to help them like you said.

RUSS MUNDY: Quick question, Trang. You said the expected the agreement between ICANN and Verisign to be posted soon. Will it be linked to the transition implementation page? Is that a good place to watch for where it'll show up?

TRANG NGUYEN: Yes. We will put it on that page and I think Grace is also going to help us circulate it to the mail lists as well.

JONATHAN ROBINSON: So I think we're going to wrap up given that we had a decent set of questions and discussion through the meeting. Actually, it's

been very refreshing. I wasn't sure how active our session would be, so it's great. Thank you very much for the contributions and questions along the way.

And I'll just take the opportunity before handing back to Trang to thank her in particular and the staff she's been working with for the work they've continued to do in diligently executing the outcomes of the CWG. So thank you, Trang. It's been a pleasure working with you and we'll obviously continue to do so. But it's a nice opportunity to thank you in person.

TRANG NGUYEN: Thank you, Jonathan. And I really also have to thank back to the many members of the IOTF that have spent time and contributions to help us through this process. So that is also very much appreciated. Thank you. Thanks, everyone.

[END OF TRANSCRIPTION]