

ICANN Transcription – Abu Dhabi
Cross-Community Working Group (CCWG) on New gTLD Auction Proceeds
Working Group Part 1

Thursday, 02 November 2017 08:45 GST

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Erika Mann: So good morning, my name is Erika Mann. And I chair the session on the auction proceeds in coordination with Ching from the CCWG. And Marika is with us and Joke and the rest of the team is sitting spread out in the room.

So what we'd like to do this morning is to get an understanding about one of the most important questions, namely how will this future structure – how will it be designed? You will find the word – we call it mechanism – because that's the term we defined at the very beginning.

But it practically it's a discussion about how the structure of this future body will look like. So get used the term "mechanism" and don't be confused, it's just the term which we have defined at the very beginning.

And so let me read you the original drafting text for this particular point we are debating today from the CCWG. So, "Should ICANN oversee the solicitation, evaluation of proposals or delegate to or coordinate with another entity including, for example, a foundation create for this purpose."

So this is what we like to discuss today, we have no purpose deciding the debate to today, we will continue the discussion, but we like to collect ideas and Ching will later guide you through the white boards, which we have – you

see in the room spread out. So Ching will explain this a little bit later. So be patient and stay with us until we come to this point in where Ching will explain this to you.

Just a quick reminder, we are talking – and again you have to keep in mind this might differ depending how the outcome of the dotWeb is going to work out, but we might have a total amount of 233.5 million, but keep in mind, it might be much less depending on the outcome of the dotWeb procedures.

We have at the very beginning we decided to structure our debate in six different stages. And in these six different stages there we're framing different topics which are important for building the future structure. And they relate to very different topics. So we have practically decided about two with regard to the second – and we are not debating this this morning, I just want to give you a quick over look.

So the second one we haven't totally finalized, we will discuss this in the – this afternoon we will continue the debate. And the one we are talking about today – and I will read the sentence to you again – is practically the stage 3, so how shall the future body look like?

And again, please be reminded when you see the word “mechanism” this is what we are talking about. At the beginning we weren't totally sure so we took a much more neutral word just to be certain we know what we are talking about.

So again, I want to read it to you again, “Should ICANN oversee the solicitation and evaluation of proposals or delegate to or coordinate with another entity including for example, a foundation created for this purpose?” This is what we want to understand today. And we want to get your ideas and we will continue the debate, it's not a discussion today, where we expect to finalize the debate but we want to have your ideas and these will be later collected on the white board, and Ching will explain it to you.

To make it a little bit more easy, we have done a survey already. And in this survey the members which always participate in the working group – we have many more members right now so the members who always participate in the working group we have done a quick survey and Marika will explain the survey.

So next step is Marika will explain the survey and then comes Ching. But before we do this, I think we have pretty much now everybody on the table who should be here. I would love to do a quick introduction and I will start over there, just be short, just your name, and your organization and then we continue so that we know who is in this room. Please.

Nadira Al-Araj: Nadira Al-Araj. I'm (unintelligible).

George Sadowsky: George Sadowsky, ICANN Board.

Stephanie Perrin: Stephanie Perrin, NCSG.

Julf Helsingius: Julf Helsingius, NCSG.

Tony Harris: Tony Harris, CSG ISPCP Constituency.

Daniel Dardailler: Daniel Dardailler W3C.

Sebastien Bachollet: Sebastien Bachollet, ALAC.

Seun Ojedeji: Seun Ojedeji, ALAC.

Joke Braeken: Joke Braeken, staff.

Marika Konings: Marika Konings, ICANN staff.

Erika Mann: Erika Mann, Chair.

Ching Chiao: Ching Chiao, ccNSO appointed co-chair to this working group.

Carolina Caeiro: Carolina Caeiro, I am with LatNic, the Regional Internet Registry for Latin America and the Caribbean and I am a CCWG temporary member appointed by ASO.

Alan Greenberg: Alan Greenberg, ALAC.

Kavouss Arasteh: Kavouss Arasteh, the GAC, thank you.

Douglas Onyango: Douglas Onyango, ASO, thank you.

(Maria Ditmar): (Maria Ditmar), ccNSO.

Maarten Botterman: Maarten Botterman, Board and I'll be the liaison the coming year together with Becky.

Asha Hemrajani: Asha Hemrajani, outgoing Board so Maarten will be taking my place, thank you.

Becky Burr: Becky Burr, ICANN Board, you're still stuck with me.

Man: (Unintelligible).

Wale Bakare: Wale Bakare, (unintelligible) Secretariat.

John Levine: John Levin, SSAC.

Judith Hellerstein: Judith Hellerstein, At Large.

Erika Mann: Okay thank you so much because some of – came in a little bit later, I'm not repeating what I said at the beginning, I made just a short introduction what the purpose is of the meeting this morning, not this afternoon; will be different, just about this morning.

And I explained as well that we already have a – did a survey to understand between the members who always participate in the working group how the composition of such a future mechanism or a future body could look like.

And I hand over to Marika now and she will explain to you and summarize the outcome of the survey. And maybe you do a quick introduction again just to be sure.

Marika Konings: Yes, thank you very much, Erika. This is Marika. So you'll see the link here to the full survey results. And as a reminder, we discussed during the previous meeting to rerun the survey on charter Question 7 which is, "Should ICANN oversee the solicitation and evaluation of proposals or delegate to or coordinate with another entity, including for example, a foundation created for this purpose?"

As you may recall, we originally ran that same survey and had results that didn't really provide a clear indication for a preference. Then Xavier and Sam came in and provided some further detail on, you know, what the possible different approaches could be.

So part of the objective of the survey was to see whether, you know, that had changed positions and whether there was a clearer preference for one over the other, although, you know, we made very clear that the survey wasn't intended to pick one over the other, just to get a sense of the room whether there was a preference for one option over another.

As you may have seen from the results that we circulated together with the agenda, those that responded seemed to have a slight preference for a

hybrid solution, so that is the ICANN and outsource and there is a distribution between those. Followed by the ICANN – the internal to ICANN on ICANN foundation followed by the fully outsourced with oversight option.

But I think it's very important to note that we only had 15 members or participants respond to the survey and the differences between the options was really minimal.

We did take advantage of the survey to also ask for – so further information on helping move this conversation forward such as, you know, what information or expertise do you think is needed for the CCWG to be in a position eventually to take a decision about which mechanism is the preferred one.

And some of the responses indicated that the CCWG should maybe consider looking at some case studies, inviting foundations with a proven track record to share their experiences, the difference in cost between the different structures was mentioned by several respondents as a key question, as well as who would bear the costs of these – of the different mechanism, would that be ICANN or would it be coming from the auction proceeds? And several noted as well that it would be very important to, as well, get the community perspectives on these different options and community preferences.

We also asked respondents to indicate what they saw were the most important criteria to consider when a final determination would need to be made with regards to the preferred structure.

The responses provided – the responses included following criteria, cost efficiency, ease of implementation, not to endanger ICANN's existing tax status, transparency, oversight, impartiality, liability and control over the final funding destination, experience, ability for maximum number of people to get involved, independence, and greatest benefits to the community.

So I think in the exercise we're going to be doing as part of Item 4, you know, some of these elements will likely come back but we hope at least that the survey provided an opportunity for the CCWG to start thinking about these questions because I think as you may know in the current phase we're entering in the idea is that the working group looks at the different mechanisms that are possible, potentially select one preferred or two preferred or a broader range of mechanisms to do – then do a deeper dive and for each of those mechanisms basically answer the charter questions. And the hope is that by the end of that exercise, there will be a very clear indication with, you know, what the preferred mechanism for fund allocation would be.

But I think as we've noted several times, that may be an iterative process because indeed we may go down a path of exploring a specific mechanism in further detail than to realize you know, maybe halfway through that actually that mechanism is not able to deliver on some of the criteria or priorities that the CCWG may have identified.

So I think that summarizes the survey.

Erika Mann: Thank you so much, Marika. So again, keep in mind the survey was the survey done by those participant and members who are always participating in the working group. It was distributed to them. Today we are reaching out to all of you who are in this room and who are participating online, to use the white boards to give us your ideas so then we then have a much more comprehensive and complete understanding about what we all together would love to achieve. It's, by the way, Erika, I didn't say my name at the beginning.

So to move ahead and because we only have 90 minutes today, so we don't want to lose much time, Ching will now explain the purpose of the white boards and what we would love to achieve there and how we are planning to work. Ching, please.

Ching Chiao: Thank you, Erika. Ching Chiao speaking. And thanks once again to – for you to participate in this. I think the real – the purpose actually for everybody to join we take the advantage of this face to face meeting here, you know, for the session in particular is to dedicate a time that – to use this white board, I mean, exercise to detail some of the main character – characteristics of each mechanism which should be – I'll be spending this – some of the, you know, the context over here.

Since we don't have a mic here, so I'll be sitting here and trying to illustrate what we should be doing. Yes, can we have a mic? That would be easier.

Erika Mann: Would be much easier for you.

Ching Chiao: Yes, that's right. Oh, thank you very much. Yes, so basically you'll be seeing on this particular white board is the mechanism that being kind of shaped in the past nine to ten months based on the community discussion and also in cooperation of – thank you very much, Marika. Okay.

Okay, okay this is much better now. So in the past nine, ten months so in, you know, those mechanism that's being listed here as possible ones, including the consideration from the ICANN missions and also some of the – the so I mean, the legal and so legal and fiduciary requirement.

So I have it, thank you. So what we would like you to do is that to – actually to go – just to go around the room, there is actually four white boards here, I mean, listing all the possible ones, possible mechanism.

The first one, let me just go, you know, go here very briefly is the first one here is the new ICANN proceed allocation department created as part of the ICANN Org.

And the second one is the, you know, the possible ICANN proceed department, but which will work in collaboration with another existing charitable organizations.

And the third one on my, you know, left here but closer to the door, is a new structure will be created that is a new – could be an ICANN foundation creating for the purpose.

And the very last one on the far – on my far left is we hand over the fund to a charitable, I mean, org, but with some ICANN oversight.

So these four, I would say, there's kind of two hybrid models here, one is for ICANN and the other is a separate entity with ICANN oversight. So with this four mechanism, what we will ask you to do and also when you do this please do bring your pen because on those boards we would like to have your comments and some thoughts on those Post-It notes thinking about what would be some of the clarifying questions or some of the question you would like the group then to ask some independent experts which we've already identified in the beginning of the work.

And then you'll be able to post your thoughts on pros and cons of the mechanism and other than that, on this first board here, we will ask you to list some of your, you know, some of the most important criteria when selecting this mechanism. So feel free to post your thoughts. We already have a survey there, but do feel free to post thoughts here.

We will do the – actually we have a Google Doc online so for those remote participants and they can also use the Google Doc, you know. So I think that's probably you know, how we should do it. And how many times do we have? Do we know like the next 30 minutes or – please, Marika.

Marika Konings: This is Marika. Just to add and emphasize, this is an exercise for everyone in the room, not only for the members or participants, so everyone is invited to

participate in it. It would be helpful as well if we have a couple of volunteers that are willing to provide a summary at the end so you can first go around and then maybe pick a board and summarize for the group what you've seen as some of the main feedback that is being provided.

Of course staff will also take note of everything at the end of our session and then integrate that all into the Google Doc, as Ching said, we also have a – and Joke has already kindly posted a link in Adobe Connect chat. So for those that are participating remotely we would also like to encourage you to go there and add your thoughts.

And then we hope that for the next meeting probably not today, depending on the level of input, but probably the next meeting after ICANN 60 we're able to provide you with a summary version where hopefully we're able to identify what are the common thoughts and themes around the different mechanisms that then will hopefully allow the CCWG to make an assessment. You know, are there any very clear pros and cons for some mechanisms and a specific focus as well for questions for experts.

Because that is also part of this stage of the work to identify what are some of the questions that should be put forward to external experts to help the CCWG make a determination of whether there is a, you know, preference or a better chance of meeting some of the criteria and objectives that have been set out by the CCWG by one mechanism over another.

Erika Mann: Okay, Erika Mann on the mic. Is this clear? I'm just looking around, it's not complicated, is it? Kavouss. Tony, and, yes, please. Please say your name first and then...

Kavouss Arasteh: Kavouss Arasteh. Good morning to everybody or good evening those who are outside. This in term of survey will we also continue this afternoon or just this morning?

((Crosstalk))

Erika Mann: Only this morning.

((Crosstalk))

Erika Mann: Only this morning.

Kavouss Arasteh: Only this morning.

Erika Mann: We have enough time for this, Kavouss, don't worry.

Kavouss Arasteh: Okay.

Erika Mann: We have enough time.

Kavouss Arasteh: Thank you. Some people are not yet here.

Erika Mann: Yes, yes, yes, (unintelligible). Please.

Tony Harris: Yes, I'm not too clear on this.

Erika Mann: Tony, say your name.

Tony Harris: When we do this exercise, are you looking for comments on each of these alternatives? Or just I support or don't support?

Erika Mann: Each of these alternatives.

((Crosstalk))

Erika Mann: Each of – we really would want you to walk around and put comments on each of the alternatives.

Tony Harris: Okay.

Erika Mann: If you don't want to do it you don't do it; if you just prefer one, I mean, that's up to you. But ideally – and the ideal scenario we would really love to have – your thought on each of the one. And as Marika said, everybody is invited, not just the people just sitting on the table, but please, everybody else as well, please.

Daniel Dardailler: And Daniel Dardailler, W3C. I think at some point in the past we had a presentation of the sort of the main steps that are involved in doing grants. You know, so we had an understanding of the sort of the amount of work that is involved. I think it would be good before we do the exercise that we have a sort of a reminder of these steps, you know, starting from the (unintelligible), evaluation, review process.

There is – part of that that we can identify as being new technology, neutral in a sense, and part that really require the expertise to check the scope and everything. And I think it would be good to have this sort of understanding.

Erika Mann: Daniel, let me recommend not to do this. I understand the reason why you would like to do this, and logically you are right, but it will take so much time that we are really losing the time of collecting the ideas.

So let us come back to your point at the very end and either we can do it today or we will have a follow up by email and we have another – our call so we pick this up then. So it will, I promise you, it's not going to be forgotten because it's really an important and key point.

Was somebody here who want – yes, please Seun – please say your name.

Seun Ojedeji: Yes, this is Seun for the transcript record. So I wanted to clarify, what is the connection between the survey which (unintelligible) the survey, so I was supposed to just repeat the (unintelligible) on the board?

Marika Konings: This is Marika. And to some extent it's a continuation and indeed some of the responses may be the same, but when we did the survey we only asked about three mechanisms, here there are four. For example, now we want to go more specific as well on the questions.

Some people, you know, identified general themes where we hope as well to exercise people can identify specific questions they think should be asked. So again, it's a continuation so hopefully those that already put thought into it, they have an easy time going around. But it will hopefully allow us to deepen and assess as well what are the common themes across these different mechanisms.

Erika Mann: Yes, please.

Douglas Onyango: Thank you. This is Douglas, ASO. I wanted to ask a follow up question to Seun's comment that's on how we are going to use the data we've collected. You have stated before that this is not going to be used as a substitute for actually decision making, this is not going to be used authoritatively.

But then you have not stated what it's going to be used for in terms of how will this count, because it's to one extent or the other it's definitely going to influence that final decision.

And to that extent, therefore, the data has to be held in context first of all in terms of quantity and quality. So for those who've collected this data, we filled out the survey, we're going to do this again, all of this has to be taken into consideration so that the data is properly normalized and given its true value as we move ahead towards coming to that decision point. Thank you.

Erika Mann: You're totally right. It's Erika. Like we have done in the past, we will have a record about all the points discussed today, they will be sent to the group and then based on the discussion today we will have a final debate in this group at the end after we have the collecting our ideas on the white board, we will come together again and we'll talk about it.

And then the team, Marika and the team, will send all what was collected today back to us and then we will have to have a follow up debate and take a decision how we take this forward. You're absolutely right. We are not jumping decisions, you're completely right. We have one here, please.

Carolina Caeiro: This is Carolina for the record. I actually had a follow up question about the survey. I think it would be useful to see how it compares to the first survey that we took on charter Question 7, which I think also was answered by, you know, a significant number of member as opposed to this one there was only about 15. So maybe sort of seeing the evolution from one survey to the next would be useful.

Marika Konings: Yes, this is Marika. Those survey results are publicly posted so people can definitely review that. But if I recall well, I think for the first survey we didn't ask people to choose, so for this one we specifically said you have to rank so it's 1, 2, 3. I think with the other one we said could you support it? So we didn't – so it may be more difficult to, you know, compare it in such a manner but it may show indeed still an evolution if before, you know, if now one of options ranks as 1 while in the first survey not many people supported it. So I think we can look at it that way, but it's not a very equal comparison in such a way.

But obviously if people think there is value in it we can run the same exercise again for example after, you know, we've done this, we've had the questions with the experts, and then see, you know, is there, you know, a bigger gap emerging between the different options or a clearer preference emerging for one of the options based on the additional information that has been provided

as well the identification of, you know, what is in the end the most important criteria.

Because for example, if the CCWG would decide the most important criteria is, you know, the costs involved in setting it up, if through you know, all the information we get we find that, you know, Option B is the most expensive one, maybe that then automatically drops. But again, there are likely other criteria that will be deemed important so in the end it will be a balancing act and a decision the CCWG will need to make on what meets the most criteria in order to be at a level to recommend it.

Erika Mann: Erika Mann. And we can do as well when we send out the summary of today, we can put at the end the links to the surveys and to the previous debate so that you can – those which are not participating each time can have a review and can look at it and you get a more complete understanding. We will do this. Alan, please.

Alan Greenberg: Thank you very much. Alan Greenberg speaking. I'd like to hypothesize why the results so far have been so non-definitive. I think this is a absolute classic case of the expression, the devil is in the details. I could live with any of these; I can imagine any of these working and working effectively. I can imagine any of these really royally messing up.

And until we do the details, I don't much care which of these we do, you know, I have some preferences that I really don't want to see ICANN hiring 150 new people to do this. On the other hand, I don't want to pay huge outsourcing fees for someone else to hire 150 people.

So it really comes down to the details and I'm not really sure there's a lot of merit at this point in doing this kind of thing. I think we almost have to make a gut feel of which way to go, try flushing it out and see if it makes sense. Just a thought.

Erika Mann: Yes, it's Erika. I think you point in the right direction of the debates, we will need to have. But keep in mind, so this is an intermediate process which we are doing now, gathering our ideas. Then we will have the debates with experts, which already running something similar, all in different fields, so not just in one sector.

And then we can ask questions again and we – after we have these discussion with these experts I think we will get a better understanding how we want to move this, you know, exercise forward. So you are right, we have to get to this point, but we probably not there yet.

Sebastien, please. And then I'd love to conclude – oh I have one over there. And if then there's nobody I would love to conclude the debate because otherwise we will not have enough time. Sebastien, please.

Sebastien Bachollet: Thank you very much. Sebastien Bachollet. I would like to humbly suggest that we take the advantage to be face to face to do what the leadership team of this group have suggested and not to talk about process because have time to do that on the call, and the fact that we are here together it must be taken into account what we are doing. And I agree with Erika, let's go.

Erika Mann: Thank you, Sebastien. Please. And then I finish the debates, please.

Wale Bakare: This is Wale Bakare for the record. Yes, my comment is just somehow in line with what Sebastien has just said, but a little bit different. What I would suggest, if this exercise must be done here, so we need to give a kind of timeline, not just limit the (unintelligible), so according to (unintelligible) it says that if you want to ensure something gets done, give it a deadline. Thank you.

Erika Mann: You mean a deadline for our exercise here?

Wale Bakare: Absolutely.

Erika Mann: I think we have 30 minutes, I think we...

((Crosstalk))

Erika Mann: Yes.

Wale Bakare: It be a kind of (unintelligible) deadline be able to, I mean, get a very good quality response to (unintelligible) that have been crafted here.

Erika Mann: Yes, we will do this after the meeting, is this okay? We will do it. Thank you so much. Please. So we will – you will have...

((Crosstalk))

Erika Mann: Just a second. And Ching, we will be on one of the boards in case there are further questions coming up.

Woman: ...to speed up the process if we discuss while we are (unintelligible) somebody stands there and will be giving input on each one of them.

Erika Mann: Let's not change the procedure, we are all moving around. Changing procedures in the last minute opens only debate about new procedures, so just let's do it. Next time we can do it the other way, it's not a bad idea, but let's do it now like this.

Ching Chiao: Bring your pen.

Erika Mann: Yes, bring your pen, please, we don't have enough pens in the front. Can we get started? And just with the presentation and we start here on this side and Marika will take over now and will guide us to the different white boards. And the first one will be on the – from my side on the very right and it will be Stephanie who will present it. But, Marika, back to you first.

Marika Konings: So this is Marika. And thank you very much, Erika, and thank you all for your participating in this exercise. I hope at the end of the meeting you may also have one or two minutes just to ask for your experience, was it something that was helpful, did you enjoy it, is this something we should do more of or you really hated it and we should never ever do it again.

So for those of you that joined late, we undertook an exercise here to get people's input on the different mechanisms that appear to be options for further consideration based on information that we originally received from ICANN staff, from Xavier and Sam. And, you know, some of those options have been already further refined so we asked everyone to go around the room and for those that are participating remotely to use the Google document and provide your input there.

For each of the mechanisms we've basically asked people to first of all identify, you know, what are some of the clarifying questions that you have about the mechanism. And, you know, which of those may as well be put forward to experts, as we explained before, part of this phase is an exchange with experts that have been identified by members and participants, that the group can engage with and, you know, benefit from their expertise to ask some of the questions.

And then we asked as well about pros and cons of each mechanism, again to get a sense you know, is there a general trend or theme around pros and cons and, you know, as Alan already noted, you know, there may be – it's hard to weigh at this stage, you know, how strong those are. But again, through this iterative process we hope at some point to get to a stage where there will be a clearer difference between the different options.

And then while we're going to start now we had a general question around what would be the most important criteria when selecting a mechanism? And again, that's trying to get to the heart of what do people consider most

important when a final determination needs to be made. And as I noted before, it will likely be that there's not, you know, one factor that will come out as most important, but probably a combination so again, the different mechanisms will need to be valued against those different criteria.

So I'm trying to see where Stephanie is. Oh, Stephanie, you're already sitting. Do you want to go to the Board and I give you a roaming mic to give your update?

Stephanie Perrin: Thanks. Okay, so you want this in one minute, two minutes? Three. Okay. So the question here is what would be the most important criteria when selecting a mechanism? And I have a list here and I'm just going to read it and then go to the tabs. There are diametrically opposing views listed here so we'll have to sort that out at a meta level. Fine control over all funded projects' work plan; transparency and accountability; easily implementation, for instance, jurisdiction implications for the beneficiaries; effectiveness in transparency I think that's close to transparency and accountability; balance the selected entity's role with ICANN oversight; one that allows community spending priorities to be paramount; the cost of setting this agreement up, I think.

And then we have can it be self-limiting? Can we keep the stakeholders engaged at a low cost? Can we keep the fiduciary responsibility costs down? Can we control the admin costs? Don't create perverse incentives, give it to those outside ICANN. So we have really people who feel that these criteria are being met by keeping it inside ICANN or putting it outside ICANN.

Keeping the operating costs down; independent; avoid administrative complexity; decision making dependency; requirements for significant knowledge of ICANN mission. And I think ease of use and setup. And someone has put here that when the money is gone, it's gone. So I'm not quite sure what that is as a criteria except – that one's a real one, that sounds like a fact to me. So – and that's pretty well what we have on this sheet.

Any questions?

Jonathan Robinson: Hi, it's Jonathan Robinson for the record. So I'll be reporting on this first possible mechanism, which is new ICANN proceeds allocation department created as part of ICANN.org. So under clarifying questions or questions for experts, it's will the department staff be paid by ICANN or the proceeds of the funds, how many people would be needed? What are the kind of costs that would be involved? Check how much it would cost, are ICANN salaries too high, in other words thinking about, you know, the cost base at ICANN Org, potentially relative to other locations where that might take place.

What input would the community have in staffing? How does the community come into this? Or here's one where it's considered as separate entity like IANA, in other words, I think that – whoever was thinking of that was probably thinking within ICANN Org but nominally separated in a similar way that which PTI is. And actually in a sense the next suggestion is related because it talks about requiring external governance, non-exec directors or trustees perhaps in a majority.

So those are the kind of clarifying questions that seem to exist. One other sort of postscript on that is since this is a temporary work, must it really be a formal department? In other words, somehow thinking about how one might recognize the temporary nature of this and so maybe that's thinking around things like seconded staff or some other temporary mechanism.

Then we go onto the pros, what makes this attractive? Well it's, you know, this is actually an informal conversations I had with people there was a question mark over whether this would increase overhead and set up permanent costs, but it's interesting here that a few people in terms of the pros see this as potentially less costly. I suppose the thought is that somehow you're buying things internally and therefore that might be less costly but so there's definitely I think it sounds like cost is a key factor which really points

back to that previous question, we need to clarify whether indeed doing something internally is actually a lower or higher cost solution.

Other pros, fine control over the project work plan. It's interesting quite a few of the comments seem to think that this would be less costly so it does seem like understanding the cost elements of this is a really a key question and knowing and being sure both whether internal or external costing is important and then secondly, whether costing, you know, doing something within ICANN is a cost effective mechanism.

And in house solution, it's a pro if it is accountable and transparent. I think those are the main points, I think I've captured those. Keeps it internal and under the ICANN Bylaws, so believing that if it was an internal department it might be more well controlled in terms of ICANN's bylaws.

Then looking at the cons, of course cost comes up again, because some think quite a few think that cost may be a con as well, so which is why I suggest putting cost up into a question and trying to understand cost as an overarching point. And then someone here strongly doesn't support this because of cost again. And the fund may be unnecessarily spent on overhead. So, as I say, there's still this balancing issue of cost on both sides.

Issues of trust, if it's within ICANN, however, this could be mitigated with external directors or oversight. I like the internal idea but not necessarily a department as I don't think that's a necessity. A permanent department for temporary work seems questionable. Expensive. Don't create a permanent solution for a temporary situation.

So similar things like that, community concerns about ICANN is – community priorities would be an issue. I'm not sure I fully understand that. Too complex. So it seems like there's cost and complexity are two key themes running through this. And so those really bounce back up to the clarifying questions.

So I hope I've done that justice and I think I'll call it a day at that and pass over to the next one. Any questions, anyone feel like their point was read out but not represented accurately? Okay, let me hand the mic over to Ching then.

Ching Chiao: Thank you, Jonathan. So the one that I have here is the mechanism, a new ICANN proceed allocation department created as part of the ICANN Org, which would work in collaboration with and existing charitable organization so it's a hybrid model.

So here at the clarifying questions, I have a note here says that why working in collaboration with others, why? And I have a clarifying – actually a question here is are there any examples of this type of hybrid model? So I think that's a fair question. And the other is that how many more layers of departments do we want? So that's probably a reciprocal question but it's a good one to ask.

So here, so my next one is the pros and the cons. And I have two others in this particular question here is just about the role that people made comments here so I will start – I would follow up on that. But now is the pro for this hybrid model, the first one is the ICANN can have more control; and the second is independent from ICANN constituencies. The next one is ICANN can still way from mistaken decisions, so once again is a pro of this hybrid model.

And the next one is ICANN can build a partnership with other orgs and existing nonprofits have experience to help get started benefitting all external expertise. And ICANN free from doing this are not within its area, so ICANN is not in the area of doing this. So those are the pros for the hybrid model.

So next one is the cons for this hybrid model. The first one I have here is don't do this, it create unnecessary workload, keep it simple. I think there is a

couple ones I read similar to what the – in the previous one, is why create a permanent department for a one-time issue?

ICANN might over – might over-influence Org in the decision. And I think this one is the split decisions and multi-organization priorities may cause delays and blocks to get project underway.

Have same statement on permanent org for a one-time cash. And I have here is not extra ICANN staffing costs – staffing cost which is actually close to the previous one. I have also here work duplication costs, lack of sufficient coordination between the two parties, multilayer, too many layers so those are the cons.

So here are the two next question is about people think about what should be the role of the existing charitable orgs and what would be the role for ICANN here. So what I have here is the role for existing charitable orgs to do actual selection of who gets the fund, and I have here is decide which org to give the funds to, so I's the same.

Okay, so here are the roles. And then what should be the role for ICANN here is to support the org in selection and the new ICANN team with staff will work to support, once again.

Yes, the role of ICANN here – here it says that selecting appropriate organizations and monitoring the selection process and also to oversight. So once again this is the hybrid model, so I hope I also catch the points made by all of you here, so any questions, anything I'm not reflecting here? Okay.

Yes, Sebastien.

Sebastien Bachollet: Yes, good job but it's difficult to read what ones write, especially mine, but I was talking about cross community work team and not org as you have read. I think we might suggest to have – not to ask staff to do the whole job

but cross community team in charter with the support of the staff and going with the support of any type of organization, outside we need, that was my – sorry for...

((Crosstalk))

Ching Chiao: No, thank you very much. Thank you for making the clarification. That's helpful. Okay.

((Crosstalk))

Man: Oh there's a question here, sorry. Go ahead.

Carolina Caeiro: This is Carolina for the record. So I just wanted to also elaborate on the post that was read that I had written. So one of the primary pros of this mechanism is actually that ICANN can outsource things or not within their area of expertise, primarily something that has to do with sort of the ground making process or, you know, overseeing, reporting, monitoring any relation and so on and so forth that, you know, I believe sort of external entities, you know, can bring in that expertise. So, you know, I just wanted to make clear that you know, I do see that being a, you know, a primary sort of pro of this model.

Man: Okay. So I'm going to summarize the third scenario which is a new structure would be created like an ICANN or DNS foundation. So the question that I'll ask, one has come here a couple of time is where would this new foundation be created? Would be in California or outside on the planet? And who would control it? Would it have a Board of its own or would it have just, you know, delegation power from ICANN?

And that would be the ICANN stakeholder input into this new organization if it was created. So that were the questions. The pros that were mentioned were, you know, more transparency, the costs would be down. The location can be chosen so it's an advantage in a sense, you can decide on the location. It

would have a sole focus so it would be easier to control. And also it – since it's, you know, sort of an external entity it could receive fund from other than ICANN.

External expertise would be available for this new organization. And it's a simple concept in a sense, you know, ICANN has money and doesn't want to manage it because not their role so they give it to an ICANN foundation. The cost – sorry the cost they also talk about the cost, you know, creating an entity has a cost.

They talk about the added complexity in the overall setup of the system, you have to create a new entity to do a particular job. Surprisingly no one is talking about the permanent versus temporary issue that is creating a permanent organization for a temporary funding operation, no one is mentioning that but I heard it twice, and I think it's even more important in this case.

Someone is talking about – a couple of people are talking about mission creep, even mission gallop which is, you know, it's not ICANN mission to grant money to other organizations, so if we create an ICANN foundation it would be completely outside of the mission. People are talking about kingdom-building which I like a lot, it's the first step in building a kingdom. And people are worried that the cost that if we separate this business there would be no technology involved anymore, you know, all the technical expertise of ICANN would be sort of lost in the – in the transfer.

And there were a couple of comments like “don't do this” and rather give it to an existing foundation. Questions? Okay.

Erika Mann: Okay, we are coming to the last one which would be the idea to use an established entity and organization can be a foundation or a fund. And ICANN would continue to have the oversight but it would be given the fund to an independent body. So the clarifying questions – I start with the most

simple one, yes? Then it would be good to identify how oversight shall be executed and we have many different questions there.

Another one is location, and I think the person meant depending on the location oversight and of course the funding structure and the legal structure will be different. And then many – we have around the question how do we decide about which group we would select. And then coming to the – and there are two other, one is how would the community stay involved? And how would the community stay involved, still a gating question. And would we expect this entity to have similar experience than ICANN?

The pros, the benefit would be – and again I do it in cluster, so the benefit would be that there would be already expertise, it would be probably cheaper, it would be a faster process, the body would be independent, it would trigger and would therefore have much more expertise but more transparency very likely. And it could respond much more quickly.

The cons, lack of knowledge about ICANN, the – let me – fiduciary responsibility and the oversight might create problems, there might be disconnection to the community, there might be not enough experience about ICANN organization, the control how the money is spent might be less obvious. And the overhead cost we have many, many, many you see this – I put them all in one cluster, the – we would have to understand how the overhead cost for this organization would be – how high it would be and if it would be worthwhile in doing it.

And then the last one would be we might lose control. And the question about control again comes up many times. Back to Marika. Oh a question to this point? Yes. Good, I don't know who was first, Kavouss and (unintelligible) please go.

Carolina Caeiro: This is Carolina for the record. So I just wanted to point out I think an important caveat of that option we have – I forget who was in the group that

proposed, we think of an entity or entities in plural. And I think that makes a big difference because perhaps some of us would be scared of giving all this many away to a single entity, and also you know, the possibility of distributed because several entities might mean that, you know, we might resort to a model where you know, we pick foundations that have expertise in a given topic or that have expertise in a given region, so the idea of going with entities as opposed to one single entity I think is you know, part of that proposal and important caveat of everyone to keep in mind. Thank you.

Erika Mann: Just to add to this point, I added the S here but then we have to keep in mind when we continue the debate, not today but when we continue to debate the overhead and the oversight for ICANN would become more complicated. If you have many entities it makes it automatically more complicated. Kavouss, please.

Kavouss Arasteh: Yes, some general things. I think when we say “costly” less costly, more costly, what is the reference compared to what? This is one question. And then we talk about entity or entities, no problem whether one entity or several, but the size of that, because the (unintelligible) cost we have and when we come to the internal the continuity of that, this is a long term job, it is a full time job or a distribution, and location I don't understand. Location from the organic (unintelligible) or location from the physical location? So these are the things that from – answer the question and needs to be clarified. Thank you.

Erika Mann: Yes, we will put your question to – Marika is writing it down. So we will have this added to the – to the summaries and then we will have to come back to this point anyhow because they are super important. Marika.

Marika Konings: Yes, this is Marika. I also wanted to know that Sylvia Cadena has participated remotely and filled out the Google Doc and I looked over it and I believe that there are many comments similar to the ones that have been raised, but, Sylvia, I know you're in Adobe Connect if there's anything that you believe is – wasn't mentioned specifically please let us know. And as noted before, our

next step will be to input all this information into the Google Doc so it's all together.

And it will then also allow for those of – those members and participants of the CCWG that weren't able to participate in this meeting or, you know, are not present here, to add to that. But the hope is that, you know, there's already a lot of input provided that most comments will have been covered.

And as said, we'll create one document where we just list everything and hopefully from there we can lift it to a higher level and have more clusters of responses, because as you – as I think the summary showed in many cases there were a lot of comments that pointed to the same question or same pro or con.

So I think that finishes our specific exercise for today.

Erika Mann: Yes, maybe to – we have two minutes left. So what I think we will do, we will really in this case because it is so relevant, I think we will collect all of these little Post-It, we will write down each of these points raised here with regard to this particular question asked, so it's absolutely clear and nothing is getting lost, we will add the additional question which we – which we heard just a few minutes ago. We will define the further process and we will make a recommendation how we will continue with this debate. And so we can discuss it at our next call.

And we might have few minutes maybe in the afternoon but I want to be cautious because not everybody might have time in the late afternoon today so even if we have the time to do it in the afternoon and we have some time left we will still have to pick it up at our next call to ensure that there is fairness and everybody is involved. And we will not have the time to write down all the questions so it can be only procedurally what we can – if we have time can discuss this afternoon.

And then the most important is we will have to get an agreement how we continue this discussion. We might have to have a – I'm looking to the Board as well, we will – might want to get some input from the Board as well. You will have to indicate us how you want to have the debate in the Board and how you want to feed into this process because we don't want to have a situation where we hear from the Board at the very end that some of the scenarios you don't like. And in the worst case scenario, it's the one which we have selected.

So let's not have this, let's really be more intelligent so that we really work hand in hand together and if there's something you don't like – and the same is true for the GAC, and for all the SO and ACs, please feedback all this as early as possible, things which are definitely a no-go area for anybody of you.

I come to you in a second, Asha. So we need to define this and then we need to schedule the discussions with the experts and again, we need as many of you present in the discussions with these experts. So this is what we have to do in the near term. Asha, you have a point?

Asha Hemrajani: Yes, thank you, Erika. This is Asha Hemrajani, ICANN Board and liaison to the CCWG on Auction Proceeds. So I just wanted to ask you a quick question, I hear you and I think you're right in that you want to get our inputs as early as possible. Do you want us to share with us our opinions or thoughts – rather not opinions but thoughts on the four different methodologies of the ones we think is best or most appropriate in the next session or what are your thoughts on the next steps?

Erika Mann: I'm not sure if you can do it already today if you can do it today, probably not. I look at Martin, probably not. So you might need some time. You have to indicate us when you can do it. So when you are ready, just don't spend too much time in, you know, just keep in mind for everybody keep in our mind our current deadline is in a moment, Puerto Rico, so Puerto Rico we would love

to have the whole report and recommendations finalized, so it then goes for community – public comments out.

Just keep this in mind so we probably have to schedule in December the discussions with the experts and then we have to pick up the debate again because there might be new points raised which we haven't thought about or they will tell us one option, forget it, it never works, so we then have to – might have to review our different options. And so don't wait too long would be my advice.

Asha Hemrajani: Okay, thanks. I hear you on that. I think we'll definitely go anyway and come back with something. But I will definitely can say now that from the Board's perspective we would want something as cost efficient and effective as possible, along those guidelines. And then we'll come back, well, Martin and Becky will come back to you on our thoughts on the – thank you.

Erika Mann: Yes, I think that's an agreement which we can all gather behind. Daniel.

Daniel Dardailler: Yes, one of the thing we haven't discussed which introduce a couple of order of magnitude in volume is what is our expectation of the average funding amount. You know, let's say we have \$100 million, we could give 100 project \$1 million or 1000 project \$100,000 or 10 projects for \$10 million. So this completely change the you know, the business we're doing. So should we talk about – if we have an idea of this average or should we talk at some point about it, because it's going to influence this discussion.

Erika Mann: Yes, we have to put this to the list. Seun, please, and then we probably have to conclude, we are getting signs that security is coming to throw us out.

Seun Ojedeji: Okay, this is Seun for the record. I just wanted to ask a process question, I wanted to know, do we have an idea of when we will finally making the decision of which of these options we're going to be taking so that some of us

will actually be able to manage our time to be able to engage within a limited time, and not prolong the matter. Thank you.

Erika Mann: I mean, if I can make a recommendation to all of you, I would say we should do it after finalize our debate after the discussion with the experts which should give us a little bit more time and we need to give (unintelligible) time as well to reflect upon this and GAC needs time as well so that you can come to us.

I really would love to have as a harmonized approach and I hope we have no conflict until the end or if we have a conflict we can work it out. This is too important to have, you know, really a big conflict about it. It just too important.

Can we continue the discussion or do we get a sign that we have one more minute, one more minute, good. Please.

Douglas Onyango: Thank you very much. This is Douglas again. So the question I wanted to raise is around framing everything we've heard here in light or – we have had a very, very open discussion and I was – I'm of the view that given the charter questions maybe the discussion shouldn't be as open as it is right now.

And what I mean by that is we have 10 questions and all those 10 questions lead to certain, you know, they create a box within which all of the discussion should be had. To that extent therefore the feedback we are getting here needs to be evaluated in light of how is it going to affect Question Number 5, Question Number 7 and all so that in the end when you agree to something here, to one of these four options you must make sure it is consistent with all of the 10 questions otherwise it has no future, it has no place because it is now in conflict with another one of the questions. Thank you very much.

Erika Mann: You're totally correct. And we will do this after this exercise we have to come back to this point, just for those who have not participated yet, we have already certain definitions about how we want to move this exercise forward

and they have to be in coherence with what we are doing here. Kavouss, and then I would really love us to finish. Kavouss, please.

Kavouss Arasteh: Kavouss Arasteh. I have a question, do we have any idea of the existence of this new entity, how long would exist? Do we know whether in the new round of the gTLD we have the same problem that we had we have the same portion of auction or that's the situation might totally change or maybe minimum.

So because some of the issue which give rise to this auction maybe (unintelligible) of the new gTLD that we are discussing and, I don't know, as I said that maybe (unintelligible) 2020, 2019, so do you have any idea of what timeframe we are working to have talked about organization, five years, three years, 10 years?

Erika Mann: Alan.

Alan Greenberg: The new gTLD committee has talked about whether there will likely be auctions and significant auction proceeds. The general feeling is likely that there will not be anything of this scope and size, partly because of competition, partly because of private auction, a concept that has evolved. So there's no guarantees and the rules aren't written yet but the best guess is we're not going to see this kind of money repeated again.

Erika Mann: Okay, okay. We are getting (unintelligible).

Ching Chiao: So I must have the final one is the point of the order of the meeting is that we realize from several social media source that today's your birthday.

Erika Mann: Oh darn.

((Crosstalk))

Ching Chiao: Happy birthday.

((Crosstalk))

(Group): Happy birthday to you. Happy birthday dear Erika. Happy birthday to you.

Erika Mann: Thank you so much, everybody. Thank you so much.

Marika Konings: Part 2 of this meeting will continue at 1:30 in the room opposite the hallway, the GNSO room, so hope you see you all this afternoon. Thank you for participating.

END