

**ICANN
Transcription
CCWG on New gTLD Auction Proceeds
Thursday, 13 July 2017 at 14:00 UTC**

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Coordinator: Recordings have now started.

Terri Agnew: Thank you. Good morning, good afternoon and good evening. Welcome to the CCWG New gTLD Auction Proceeds call on the 13th of July, 2017. In the interest of time there will be no roll call. We currently have 16 – 17 members online at the moment. Attendance will be taken via the Adobe Connect room. If you are only on the audio bridge, could you please let yourselves be known now? And (Arsim Tengali), I have you noted on the audio bridge at this time. Any additional?

Hearing no further names, I would like to remind all to please state your name before speaking for transcription purposes and to please keep your phones and microphones on mute when not speaking to avoid any background noise. With this I'll turn it back over to our co-chair, Ching Chiao, please begin.

Ching Chiao: Thank you very much, Terri. Thanks for everybody to join the call. Some of you might have just returned back from the trip to Johannesburg, I hope you

all had a good time there. Sorry I couldn't make it personally. I've heard I mean, through the telephone conference bridge, we do had a very productive meeting there. So the cochairs we also spent some times before the call and just to trying to recap, you know, and try to capture the – what's been discussed there.

But for this call I guess we lie down a couple of the questions. I hope that we are running on schedule for the survey results. We do see for Marika and for Erika, they did ask the members to fill in the survey questions which could just take a couple of minutes for each question so please help fill in if you haven't done so.

But before that, I'd like to ask if anybody has a new DOI which you would like to get an update here. Does anybody has a new declaration of interest here? Okay, hearing none, so let's get into the first item of the agenda here, which is the survey question – the charter question Number 4, so let's see for – if we can get the question up. Thank you, Marika.

And we do have a number of people that – thanks again for filling this up. I think 15, 16 people getting their feedback towards this one, but keep in mind that we do have more than 40 members and plus many of the participants in this group so as you cochair I did wish many of you can, you know, spend just a few minutes on each survey question, that will really help to put together a more concrete thoughts to question for example, like this one, the question Number 4 in terms of the timeframe.

So okay so I can see from the Adobe room that the received response from this many members, thank you once again, and then the – some of the results here. So for Marika, would you like to walk us through the, you know, maybe the question first and some of the results, you can probably highlight the results and then we can have potentially additional input here while we have the members here. So please.

Marika Konings: Sure, Ching. So this is Marika. So what you see on the screen is the result of the survey that we held on Question 4. And as a reminder, the questions that we're addressing on this call were those questions that were identified as needing a response or at least some kind of preliminary agreement before the working group would be able to move into the next stage of its work as it is the expectation that the responses to these questions have a determining factor on the type or kind of mechanism that might be further pursued.

So charter Question 4 deals with the timeframe aspects, and it basically asks, what aspects should be considered to define a timeframe if any, for the funds allocation mechanism to operate? And I just want to note I just updated the results to the survey as we had some people that just completed it prior to the call so my apologies if I haven't – if there are some responses here that I didn't see before, but as said, we had some last minute responses in and I thought it would be helpful for everyone to see at least the latest state of affairs in regard to the responses received.

So as you can see in relation to the response of this first question, there seems to be a relatively even split between those that are of the view that this is really a one-off exercise, that after disbursement of funds, the mechanism should cease to exist, and those that are of the view that it should be possible through investment of funds and potential new sources of revenue, to create a long lasting mechanism.

Obviously, those two views are not necessarily compatible, so this is an area where either the CCWG may want to ask other weigh in, you know, as noted by Ching. The sample is relatively small, I mean, it's really good that those that have responded have provided their input here, but it currently only represents, you know, 15 members and participants which is just a small fraction of the CCWG so this is one of the questions where we probably need some further conversation. And I guess one of the options might be to either extend the survey or have some input from you on the call today whether, you know, if there are other options, are there any compromises between

those two views that should be put on the table that might result in a kind of preliminary agreement for the working group to consider.

You may also note that there are quite a couple of comments that had been made, some of those I think we've already seen as well as part of deliberations where some know that even though it being a one-off exercise, it's still likely that the overall timeframe will be relatively lengthy and also noting that, you know, it should be possible to reuse the mechanism should at a future point in time new funds become available.

So again, I would encourage you to look to a more detail into these comment and see indeed what we can derive from there that may help the group reach some kind of agreement or compromise on what the response to this question should be. And before going to the next question, Alan, I see you have your hand up.

Alan Greenberg: Thank you very much. I think something that would be useful here is getting at least a rule of thumb as to what kind of return we could get if we did want to preserve this fund for as long as possible. And I'm not sure what as long as possible means. Is that forever and ever or is that 10 years or, you know, how long is a long time in Internet and ICANN times? Because that will translate to whatever the rate of return is that we can get with still relatively secure investment and a understanding what our real timeframe is, will tell us how much money we have per year if we wanted to do that.

You know, \$230 million, \$240 million is a fair amount of money but it's a pretty small amount of money as endowment funds go for these kind of things. So I think that would be a very worthwhile bit of knowledge before we have this discussion in depth to understand what the alternatives would be if we did want to stretch it out. Thank you.

Marika Konings: Thanks, Alan. And just noting that that maybe a potential question that we could put forward to some of the external experts, which is a separate

agenda item, but that may be a specific question that someone may be able to answer. Kavouss, I see you have your hand up.

((Crosstalk))

Terri Agnew: This is Terri. We're still trying to reach Kavouss on the telephone so unfortunately he just has typing abilities at this time.

Marika Konings: Okay. Thanks, Terri. So Kavouss, just keep your hand up and maybe indicate in the chat once you've been connected and then we'll go to you if that's okay, or alternatively, feel free to type your comment in the chat. Ching, go ahead. Ching, you may be on mute?

Ching Chiao: Hello? Can you hear me now?

Marika Konings: Yes, yes I can.

Ching Chiao: This is okay now? Okay. Yes, so I'd like to go back to Alan's point is that I think we don't have, for this call, Asha and Becky joining. I think maybe the Board itself has some benchmark or some of the number they've been using for the funds that – so they have sent for the funds to the fund manager to manage. And probably we should use that as a kind of a starting line to see what would be a regular – what would be the regular practice for fund manager in terms of the return and what would be the results over the past few years that ICANN is getting. So I'd like to just make that comment up. Thank you.

Becky Burr: Hi, this is Becky. I actually am on although I can't get into the Adobe Connect room.

((Crosstalk))

Becky Burr: And I can just briefly answer that those funds are invested with a focus on preservation so they are invested in very low risk funds and therefore the return is pretty small. And I don't know what it is off the top of my head but it is, you know, not the type of return that you would get if you were willing to accept more risk. This is invested for preservation.

Ching Chiao: Thanks a lot, Becky. It's good to have you in the very timely to have this. And I think if we can also send the question back to let's say if we can get for example Xavier to have some thoughts on – or some specific numbers that would be also very helpful too. So back to you, Marika.

Marika Konings: Thanks, Ching. And I believe we have Kavouss now on the line so, Kavouss, if you can speak, please go ahead.

Kavouss Arasteh: Yes, good afternoon. I was very, very late but not problem. I think the question was very – is not possible to answer neither Xavier nor anybody of sort of long term. The financial situation of the work is change so rapidly. People think that they have the (unintelligible) of 4% and now is 0.1% - I'm sorry, 1% in Switzerland in one year. So I just can't say anything about the next two, three years, we don't know. So I don't think that the question is answerable. ICANN is not the fortune teller and the situation of the financial situation of the world is changing very rapidly. (Unintelligible) and how to deal with the thing, so let us not be going too far in these things. Thank you.

Marika Konings: Thank you, Kavouss. And not seeing any further hands we can maybe turn to the next question, and that basically focused on the timeframe aspects with regards to projects to be funded. You may have noted in the survey and it was also part of the conversation that some of the questions could be interpreted or focused on in different way so in the survey we've tried to break out the questions so that those different aspects could get addressed and covered.

And here we actually see stronger preference for – or for the response that basically indicated that the focus of the disbursement of funds should not give any specific preference to the duration of projects, where the other options were to focus on either short term projects or long term projects it seems that at least a majority of the respondents believe that that shouldn't be the focus, that should be the focus on the quality or combination of projects.

And I think that's also something that is reflected in the comments and many indicate that that may depend on the projects that are being put forward and it likely should be a mix of both and not necessarily exclude one over the other. So again, I think this is the question where the group will need to decide whether indeed that is the current preliminary agreement in relation to this specific aspect or this specific question that, you know, whether that should be the focus should not give any – or the fund – the focus of the disbursement of funds should not give any specific preference to the relation of the projects.

Again, the question will be now for the CCWG on how to take these survey results and potentially solicit further input, as I noted there are quite a few people that haven't responded yet to the survey so one option would be, for example, we can share the survey results through the notes and as well as this document and then give our members and participants potentially some additional time to respond to the survey and that may show a clearer preference or clearer support for one or the other option.

And currently now I see you're referring – yes, we're still talking about Question 4, we haven't gotten yet to the next agenda item, we're specifically now focusing on charter Question 4, we'll get to Question 7 next. Ching, please go ahead.

Ching Chiao: Thank you, Marika. So I guess while answering the question, I have some, you know, further thoughts in terms of, you know, it kind of question to myself is that when managing a longer term project versus a shorter term, it's always

for the group is how many meaningful projects that we can find and what would be the cost and also the resources that this – the mechanism or the ICANN I mean, overall cost would be. So I have kind of bring up this kind of a sub-question to myself is that whether many short term project is better than like one longer term project. I have you know, not come to a conclusion for that.

But I can feel in the past many meetings that where the group has been discuss is that in a more hybrid model is more appropriate for not setting preferences for longer term bigger projects so we still keep an eye on short term and smaller fund required projects. So I guess that's – I think that would be the goal but I think at the end – at some point is that we will have to answer those question in term of the cost related to managing both longer term and shorter term projects, that needs to be answers too. Yes, thanks.

Marika Konings: Thank you, Ching. Kavouss, go ahead.

Kavouss Arasteh: Yes, I think the options of selecting shorter term or long term or a number of the short term, you have to find the tradeoff between the two, you cannot go long term, having the difficulty the long term managing the change or many, many short term, which might have some difficulty overlapping with other term – difficulty of contradiction in the long term. And not (unintelligible) therefore we have to find a tradeoff between short term and long term.

While I have the floor, I mentioned in the chat that when we say short (unintelligible) long term we have to at least (unintelligible) some estimate of time for that, what we mean by short term (unintelligible) or for example, and so on. Otherwise, short term can be very, very short and long can be very long so we have to do something because the tradeoff is important, we cannot select either short or long only and we cannot mix up short and long depending on the case and the subject and the circumstances. Thank you.

Marika Konings: Thank you very much, Kavouss. And if anyone has any suggestions on what could be understood with short term versus long term, please feel free to share that and that may indeed help us a common understanding of what we're talking about when referring to short term versus long term projects.

Then the next question is part of the same charter question relates to the disbursement of funds. An example here was given should funding be released in tranches linked to milestone achievements, or single or multiple disbursements? And here also you can see that based on the current responses, there seems to be a majority support for funding to be released in tranches linked to milestone achievements. But I have to note as well that, you know, some of the comments may give some food for thought or need for further consideration as, you know, some point out that it may be a combination of, you know, the first two.

Some also note that single disbursements are a lot easier and that maybe also goes to the point that Ching was making before that (unintelligible) the group may need to consider the question of overhead, you know, managing multiple or releasing funding in tranches may result in a more significant overhead than a single disbursement, again, I think some of those questions may be of interest for people to review and again, if you all see whether the group can come to a common understanding or at least a preliminary agreement of what the preferred approach in this regard would be.

Alan, I see your hand is up.

Alan Greenberg: Thank you very much. Alan Greenberg speaking. I think it's really important to understand that these are not independent questions. They are implicitly going to be linked together. The – if you have a project, which for instance, is going to run over four years, and it is, you know, N million dollars or tens of millions of dollars, it would not be prudent to give all the money out at once if it's going to sit in the other groups, you know, in the target group's bank account for multiple years. That just doesn't make a lot sense.

And there's a risk issue of what if it doesn't go as planned, is that money retrievable? So how we allocate the money is very, very tightly linked to the duration of the project and the magnitude of the grant. It makes no sense if we're doing a \$20,000 grant to say let's do it in sections, you know, if this is a project that's going to be implemented over six months or something like that. So all of these questions are linked together and decisions on one are going to impact the other, just prudent management demands that in some cases. Thank you.

Marika Konings: Thank you, Alan. This is Marika. I think that's a very good point for people to take into account. And indeed as we move through these questions there probably will be a need to go back and forth on a regular basis to make sure that preliminary response are consistent with each other.

Kavouss.

Kavouss Arasteh: Yes, one, I agree with Alan that these are connected. My question to you, Marika, on the (unintelligible) dealing with this issue, how far we want to go (unintelligible) asking question. Some of these could be resolved in the implementation. If you go too many question, too many micromanagement going to down you might have difficulty that having so many tranches will be difficult to have the management cost which overriding other benefit that we could get. So still and again, we have to find a tradeoff between these and these are interconnected and I don't think that anyone could (unintelligible) to say anything. Thank you.

Marika Konings: Thank you very much, Kavouss. This is Marika again. Speaking from a personal perspective, looking at these three questions, it really looks like Question 1 is really the gating one that needs some kind of preliminary response before moving into the next phase while presumably the other two questions, as you already noted, are probably more of an implementation focused nature.

These were not pulled in as part of the original conversation and helpful to already have some views on those already, but at least as said, in looking from a personal perspective, it seems that the first question in relation to whether this is a kind of one off mechanism or potentially longer standing mechanism is probably something where there needs to be some kind of agreement before the CCWG can move meaningful into the next step of its conversation. But again, that is my perspective and of course happy to hear from others if you share that perspective or if you view that differently.

Ching, I don't see any further hands at this stage. Do you want me to continue on to next charter question or do you want to open the call...

((Crosstalk))

Ching Chiao: Yes, sure, I mean, yes, I mean, thanks for that. But I think the point here is we went – we just went through what's been submitted by some of the members here. We certainly want more members to weigh in their thoughts. Are we going to open this for another week or two for this, since I believe that many of us just – many of you just got returned from the trip and some of you may have been in the kind of – a kind of summer mode. So what would be the plan? Do we still – it seems that this question seems to be fundamentally important to many of the discussion down in the road. So what's our plan here? Do we still open it up for another week?

Yes, Marika.

Marika Konings: Yes, this is Marika. Just to note that the survey is still open and it's – at least from my perspective, no problem to leave that open for another week. And it may be helpful...

((Crosstalk))

Marika Konings: ...if then when I send out the notes and action items for this call that I attach the results of the feedback that has been received to date as that they may allow people as well to weigh in if they see that, you know, their view is not adequately represented or if they really want to make clear that, you know, they are in support of what, you know, majority of respondents have said to date. So that may be a way of at least for the next call then we hopefully may have a more definitive response to some of the questions.

Although, I think especially to this first question there currently seems to be a relatively equal split between the two different perspectives. It would be helpful as well if members and participants can think through is there a way of bringing those two which at least on paper seem relatively opposite views is there a way to bring those two closer together, is there a kind of compromise possible or will we see through additional members and participants weighing in that, you know, one option clearly has a preference over the other.

Ching Chiao: Sure. Thank you, Marika. I think it's worthy – thank you for the explanation. And I think it's worthy for us to spend another two weeks and maybe for the leadership team to review this and decide whether it will have another discussion in the next call on this particular question. I think it's, once again, fundamentally important to have everybody's you know, say at this stage on this one.

And then also taking these two weeks' time for people to take the question to your perspective, you know, constituency maybe let's say, the question that we just discussed if the funds being distributed in tranches, then how do we deal with for example, A, the ICANN reserve fund, and, B, if there is a, you know, AC or SOs may consider to apply for the fund, how does that work for you? So I think, you know, for us to think a bit more before we kind of, you know, close the loop on this one, I think it's probably necessary for us to do this exercise once again.

Okay, so I don't see anybody have, you know, hands for this question so why don't we move onto the next survey question? Marika, thank you.

Marika Konings: Thanks, Ching. So this is Marika gain. I'm pulling up the results to Charter Question Number 7. To this one we had 14 responses from CCWG members and participants. And the first question as part of this survey read, "Should ICANN Org oversee the solicitation of proposals or delegate to or coordinate with another entity including, for example, a foundation created for this purpose?"

And here you can see in the responses received that there is a four seven split – hold a second the operator can identify the line.

Ching Chiao: Operator? Oh okay.

((Crosstalk))

Marika Konings: Thank you, Terri.

Ching Chiao: Thank you, Terri.

Marika Konings: So here we can see that the current split between those that support ICANN to directly oversee the solicitation of funds and those that do not support ICANN overseeing the solicitation of proposals or the delegation or delegating this but delegating this responsibility to another entity whether that's an entity to be created or an existing one there is a four seven split.

And then in those that are of the view that it shouldn't be for ICANN to directly oversee this, there is a small majority there that believes that it should be an existing entity to which this responsibility should be delegated. So again, this is based on a relatively small sample of working group responses so it would be really helpful for others to weigh in especially if you have strong views about one or the other.

I note as well that there you know, at least one response indicating that there is no strong preference and it's also, you know, perfectly okay to indicate that in the survey. And there are also a number of comments here that have been provided and in certain cases indicating, you know, why people strongly believe it should be overseen by ICANN or why it shouldn't be overseen by ICANN. So again I think we would like to encourage here everyone to review those responses and especially if you haven't participated yet to provide your feedback on this question.

Then another part of this question, and again, this came out of our initial review of the charter questions where there was a bit of confusion over the involvement of ICANN the community versus ICANN the organization. I'm just scrolling down, sorry.

All right, sorry, I'm seeing now because the question was split into (unintelligible) of proposal and evaluation of proposal so we actually tried to distinguish between those aspects of fund allocation. So my apologies. So the first question dealt with the solicitation of proposals while the second one deals with the evaluation of proposals.

And again, there is a – the split seems to be a bit more narrow here but counting the no's, they still had a slight majority over those that are of the view that ICANN Org should directly oversee the evaluation of proposals, a small majority of respondents that have indicated that they would also prefer either another entity that's specifically created for that purpose or an existing entity to be responsible for that part of fund allocation. Alan, I see your hand is up.

Alan Greenberg: Thank you. Alan Greenberg speaking. I want to raise the issue – do I think this is another one of those questions that is really difficult to answer without having some idea of what we're talking about? If we are talking about three people sitting off in a corner that are doing all of this work, I would have no

real problem with doing that within ICANN. On the other hand, if we're talking about setting up a 20-person shop to do something which this not part of ICANN's core business, I have a real problem saying this is going to be done within ICANN. I would similarly have a real problem setting up a completely independent organization to do it. Yet I'd have no clue whether there's anyone we could farm this out to or sub contract it to.

So these are really difficult questions without having some idea of the magnitude of what we're talking about and of course that goes back to how many projects will we have and how long will they last and that kind of thing. I really think we need to start focusing on some of the core substance of what do we want to do with this money and then some of these other answers will become a lot easier. I understand they're all charter questions and we're going through them but I think there's perhaps a natural hierarchy of questions that we should be answering first and then the other ones might fall out of it as we have a clearer picture of what we want to do. Thank you.

Marika Konings: Thanks, Alan. This is Marika. And as I noted in the chat, this may potentially also be a question for external experts because they may also be able to give an indication for the management of – some of this size, you know, what is indeed the amount of staffing that may be required or to do that properly.

Alan Greenberg: Marika, if I could have a follow on? They can only do that if we give them some idea of are we looking at \$10 million, \$20 million projects, or are we looking at thousands of projects or is it going to be a combination of different types of projects? Those are conceptual things I think we need to decide what we want to do with the money before we start asking experts to evaluate the, you know, what staff is required to do it. Thank you.

Marika Konings: Thanks, Alan. This is Marika again. And, yes, you're absolutely right. And I think that's what we're trying to get at least through this process although, you know, I think everyone recognizes that there are many things that are interconnected, but likely indeed at some point the CCWG will need to make

some decisions or at least put some concrete options on the table because again this could also be a question of, you know, in Option A, you know, allocation would be done in tranches of \$10 million, you know, what does that take?

And Option B it would be in tranches of \$50 million, you know, what does that take? So again it may also be a question where a number of options are put on the table and feedback is sought in that way that may then help inform your eventual decision on what would be, you know, the best path forward. And absolutely recognize that there's a – many questions that are interconnected here and may have a determining impact on certain responses. Ching, please go ahead.

Ching Chiao: Thank you, Marika. So I have two comments here. One is actually helping – the first one is to helping Sylvia for her comment on the previous question, please consider we do not have to select one single mechanism, there can be one for short term, small amounts, and other for long term large disbursements, so that's from Sylvia.

So my comments are actually for – so my second comment is for let's say, are this question is also when we discuss about the interdependency we're asking ourselves whether if let's say we decided this is a one-off project, even it's a longer term and then ICANN does not have to set this fund aside, meaning that does not have to have a separate entity, a new entity, to manage. So probably these two links together.

There could be some other factors but at this point probably a easier thinking is if it's one off and then it should be within ICANN. If it's not a one-off it's a longer term stuff and then we will start to consider, you know, moving the fund out and, you know, either to set new things up, new entity up or partner with a reputable entities.

One I'm trying to also to actually to approach here is that one in the AGB we did have the text in the AGB saying that potentially a foundation to be set up so that was not being excluded in the 2012 rounds when people start to envision there could be a fund to help ICANN to do good things. So that's in one hand it's there, and on the other is that there – there seems to be a strong push back from the community overall saying that ICANN should like limit its power and should not consider setting things up outside the ICANN scope. So just trying to include those kind of thoughts here for discussion. Thanks.

Marika Konings: Thank you, Ching. So moving on to the next sub-question as part of this charter question. And again, that came over the discussion of the reference to ICANN in the original charter question where it didn't specify if it was talking about ICANN the organization or ICANN the community. So we broke this question down into the first aspect dealing with ICANN Org, and this one specifically deals with the potential role of the community in the solicitation and evaluation of proposals.

And here you can see that based on the responses received to date, there is strong support for a role for ICANN community volunteers to be involved in the solicitation and evaluation of proposals. And you can note here as well that there are a number of comments that have been made in that regard.

So again, I think at the moment there seems to be clear support for some kind of involvement, although as far as we haven't specified here, what that would exactly mean and I think as noted on response to some of the previous questions, this may again also be linked to some of the responses to some of the other charter questions that the group is dealing with, for example, whether or not this is managed within ICANN or whether an external entity would be formed in which the role or involvement of the community may need to be further detailed or ascribed.

Kavouss Arasteh: Marika, apologize, Marika, I am disconnected from the Internet. Can I have the floor?

Marika Konings: Yes, of course. I actually just got kicked out of Adobe Connect, I need to log in again as well so please go ahead in the meantime, Kavouss.

Kavouss Arasteh: Okay. I'm waiting for your green light when you allow me to speak.

Marika Konings: Please go ahead, I believe you're the only one.

Kavouss Arasteh: Yes, my comment is that, yes, I have no problem with the involvement of the community, I'm always (unintelligible) but for this particular issue, I think that still we need to be very careful but with the way that involvement of the community would increase the cost of the management of the project and provide additional cost or additional difficulty because of (unintelligible) to take into account and I want just to use this opportunity and say (unintelligible) for some institution to manage the work c see it also would say, increase the cost so we should be very careful about not creating a job for the people (unintelligible) because of this issue having so many (unintelligible) and so many projects that they create new jobs and new management conflicts between one and two. Thank you. Sorry for coming in without having access to the Internet.

Marika Konings: Thank you, Kavouss. And no problem at all. I see the queue is clear. Ching, I presume the same applies here as for the previous survey question, that we'll leave this open for another week and encourage people to provide input and feedback on these questions which will hopefully result in clearer indication or direction on some of these questions.

Ching Chiao: Right, I mean, actually that would be great, that would be the comment that I have for this one. So thanks. Let's keep it for another week or two and please, let's also send out to – through the mailing list to make sure that we have more inputs particular on actually on this one. As Alan pointed out, it

seems to have – we have to know, you know, probably a little bit more from the discussion than would be able to answer a question like this in terms of how the structure would be as, you know, how ICANN could run this fund in which legal format.

So let's move onto the next item, which is the review feedback for the charter Question 2. I understand that you have a mind map so why don't we, yes, Marika, please help pull that up.

Marika Konings: Yes, thank you, Ching. I'm just uploading it as I speak. I circulated this document prior to this meeting so to make it easier for those of you that may have difficulty seeing this in Adobe Connect, I know it contains quite a bit of information.

This was discussed during the face to face meeting in Johannesburg, and following that we also sent out a couple of reminders asking CCWG members and participants to provide feedback. I didn't see anything further on the mailing list as such so what I've done is actually looked at the input and feedback that was received during the discussion in – at ICANN 59, and also noting that I think there was one additional response that was received in the meantime so I've also added that.

So the main changes that you see here in this document that on the top corner right you see some of the main points of discussion or observations that were made during the meeting. So I think first point to remember or take into account that the yellow boxes that you see here that have been kind of flagged as potentially overarching objectives or criteria are not necessarily exclusive. It doesn't mean that the working group can only pick one to the exclusion of others.

At some point the CCWG will need to make a determination which ones of these you support. And again, it maybe one, two, you know, all of them. But that's a decision at some point that will need to be made.

A large part of the conversation circled as well around this notion of being consistent with ICANN's mission and how is that determination to be made. There were a number of suggestions that there potentially should be some stress testing done whereby concrete proposals are put forward and a determination is made on whether or not that would be considered consistent with ICANN's mission. It's important community discussion but it was also pointed out that of course the ultimate decision on that is with the ICANN Board.

One observation that was made as well by I think someone that was actually observing the meeting but someone that had been heavily involved in the work that the CCWG Accountability has done on the mission, and as a result of which the – ICANN's mission is more narrow than it previously was, he made the observation that you know, the work that this group does can have potentially broader implications, because he made the analogy that by determining certain projects or certain topics, within the scope for funding, that could by extension mean that those then also are considered within scope of ICANN's mission.

But of course, that doesn't necessarily mean that it immediately becomes something that ICANN would start working on, but in theory, by extension of it being funded, it would bring it within scope of ICANN's mission and as such, you know, for ICANN to potentially work on. So I think that created some at least nervousness from his side and he at least encouraged that that kind of conversation would have a community aspect to it or least an opportunity for others to weigh in.

Part of the conversation also focused on the original language that this is the Applicant Guidebook. And to facilitate the review of that, I've copied and pasted it here in the mind map. But it was also noted that of course the Applicant Guidebook predates the revised ICANN bylaws and the mission that has been revised, so potentially some of the examples that were used

here as possible uses of auction proceeds would also need to be stress tested to make sure that those would still be in line with the current wording of ICANN's mission.

I believe those were the main updates that were made to this document. I just added, as said, you know, we did receive one additional response so I added that input to the relevant buckets. I don't think it created a new bucket but it seems – that input seemed to fall under some of the existing ones. So I think the question now in this specific one is is there a way to consolidate some of these buckets? I think we already discussed that, you know, some may overlap or maybe part of a larger bucket so any input on that would be helpful.

Still the question as well, are there any criteria or objectives that are missing that should be added, and then the question is basically on the next step how do we move from this list of potential objectives to a decision or a determination by the CCWG of what the overall objective of fund allocation should be.

Of course this is also linked to the conversation on what isn't part of the objective and that's the second chart I can pull up in a second, but maybe I'll pause first here to see if there's any further feedback on this document especially the buckets that have been created and any ideas or suggestions on how we can move from this list to the preliminary agreed objective or criteria for fund allocation. Ching, please go ahead.

Ching Chiao: Yes, Marika, so actually thanks once again for the mind map. I think it's always very helpful for the members and the participants to, you know, go through this, you know, potentially each particular, quote unquote, modules could be expanding to more details. But at this point I would like to maybe throw the question to the people on the call is that is this something that we're actually looking at, are those criteria and objectives are the ones that we're actually looking for?

The reason I'm asking is yes, we do understand everything that needs to be done here and needs to, you know, match, you know, fill in the ICANN's criteria, the core mission etcetera, but are we still looking or wanting different sets of criteria and objectives, for example, I can think of, let's say, one if people apply for fund, from ICANN directly, would this person or this organization being disqualified from applying fund from this particular auction fund? What would be the pros and cons on this? I think that's one.

And there could be many like question and criteria that we should probably spend some time down the road to laid out some more specific, you know, items, I mean, so that those are more like the – more concrete probably not this high level criteria and objectives that we're actually looking – we're talking right now. So I would like to get how people feel about those criteria and objectives at this point. You know, are we feeling, you know, feeling, I mean, okay on this one, this set of criteria or are we looking at something in more details or something kind of different here?

Okay so probably we will leave the question to...

((Crosstalk))

Kavouss Arasteh: Excuse me, may I intervene please?

Ching Chiao: Yes, please go ahead.

Kavouss Arasteh: Yes, with respect to the criteria...

Ching Chiao: Please say your name.

Kavouss Arasteh: Yes, Kavouss Arasteh.

((Crosstalk))

Kavouss Arasteh: Kavouss Arasteh. Yes, yes, sorry. With respect to the criteria, I have no problem. But I have one comment to consider carefully, criteria must be implementable, and justifiable and reasonable and to be consistent with the core value and mission of ICANN. We should not have a criteria difficult to implement, not justifiable, not reasonable and then may have some difficulty as was mentioned in previous ICANN, some conflict with the accountability and so on so forth, that's something that just converted to something against it – the Board when want to implement that. So should be very careful of other criteria.

What I suggest, thank you very much for two or three concrete suggestions, but perhaps we should open that list to have a checklist of that and to see which one is more appropriate and implementable, justifiable and (unintelligible) and the words of the bylaws. Thank you.

Ching Chiao: Thank you, Kavouss, that's very helpful. And we have Joan please. Joan.

Joan Kerr: Hi. Can you hear me?

Ching Chiao: Yes, we can hear you all right. Joan, please.

Joan Kerr: Okay, great. Okay great, thank you very much. It's Joan Kerr for the record. This is my first meeting so I'm listening with interest so I'm going to make a board and maybe a suggestion, I was looking at understanding – I run a small organization and we're always applying for funds and looking at how fund raising affects the end user.

And one of the things that is problematic in when we're allocating funds is speaking to the end user because protocols are made at the highest level and sometimes when the end user (unintelligible) simpler way of doing something. So that's one of the things I wanted to put out there is that when I

think of a mission that's very narrow, who is going to – who is the target group? What is the purpose of the funds?

The second thing I wanted to point out is that the UN has 17 sustainable development goals and I wondered if this committee could consider either taking on one of those goals using the technology and Internet to educate people such as just for argument's sake, you know, gender equity and the Internet or innovation or something like that, so it's tied to – maybe tied to a goal and it then encourages more people to be involved if that's what we want to do. I guess we haven't made that decision yet.

But just my thoughts, I just thought that if by something that is still up for discussion or is that discussion (unintelligible) thank you.

Ching Chiao: Thank you very much, Joan. I think point Number 2 is we'll take I think we've been trying – I think it's also the group's goal to reach out to as many as – outside experts and, I mean, organizations as well including, you know, UN, you've just mentioned. For your point Number 1, just for my own interest, could you elaborate a little bit more you were talking about some of the experience that you have setting a higher conceptual goal but that could kind of not, I mean, for the end user it would be somehow kind of difficult or tough to follow, is that the point that you're trying to make? Could you maybe to elaborate a little bit more on that.

Joan Kerr: Yes, thank you, yes, that's the point I'm trying to make. I'll give you a perfect example, there is a funding – a very large organization in – I live in Canada, and there's a large organization that receives funding on an annual basis to the lottery. And it's \$100 million per year. And the – sort of until a few years ago, they made all these policies and rules and never spoke to the receiving organization.

And so I was invited to a meeting and (unintelligible) and one of the questions that was asked in order to receive funds, was how was your project

sustainable? Now, no one ever questioned that particular question on the form. So I raised my hand and I said, that question, a project in the community's mind means there's a beginning and an end. So, you know, here's a date when it starts, here's when it's completed. Sustainability means it goes on.

So most of the answers people would say well this is the project and this is when it ends and they would not receive funding. And so the funder couldn't understand why they would not answer the sustainability question, but it was interpreted as a trick question. So they wanted the result for the project...

Ching Chiao: Got it.

Joan Kerr: Yes, so that's sort of what I was thinking, if that makes it clear. Thanks.

Ching Chiao: Thanks very much, Joan. I think that's very good experience to share. I think the – and thanks for joining the meeting, you know, in the past few meetings we did have the ICANN staff and many of the volunteers here talking about ICANN to do a due diligence, I mean, all the way along. I think this is something that we have to learn from the outside group very much. So thanks very much once again. So back to you, Marika.

Marika Konings: Thanks.

((Crosstalk))

Kavouss Arasteh: May I speak? Kavouss.

Marika Konings: Go ahead, Kavouss.

Kavouss Arasteh: Yes.

Ching Chiao: Go ahead.

Kavouss Arasteh: Educating the people we should be very careful who we are going to educate, those (unintelligible) those underserved countries, and also that is something that already being discussed in different SO ACs and so have the result of those who assist us (unintelligible) unless you want to go through educate the people that are outside the ICANN, that never come to ICANN, they are not familiar with Internet and are starting from scratch, this is something very important to consider. Thank you.

Ching Chiao: Thank you, Kavouss.

Marika Konings: Thanks.

Ching Chiao: Marika.

Marika Konings: So having heard the different comments and suggestions and I think Sylvia made as well an important observation in the chat because I think we've been using objectives and criteria in a bit of a mixed forum, my understanding is that at this stage we're really focusing on the overall objectives and that of course may result in specific criteria but I think what we're at least trying to do is the overall objective of fund allocation.

So based on some of the feedback and the notion that we have different buckets and also this question of indeed do these align with ICANN's mission, maybe the CCWG wants to consider having another survey on these – the yellow phrased buckets and basically maybe first ask the question, do you consider this overall objective to be in line with ICANN's mission, and get an indication at least from the CCWG on whether, you know, the group believes whether or not something fits within the mission.

We can of course encourage as well our Board liaisons as well as for example Samantha Eisner to weigh in if they have a specific perspective or whether some of these buckets fit in or not or we could even make a

gradation which forms and I think that was what Kavouss suggested. And maybe there are some that are more clearly aligned with others than some of the others so there could be as well a well of potentially prioritizing the different objectives in view of the mission.

And then I guess another question is really to see as well even if something is within the mission, you know, is it supported by the broader members of the group? That may be a potential way of trying to narrow things down and also addressing the question of, you know, does the overall objective at least at, you know, first sight, align with ICANN's mission. And then I think as we've noted before, some deeper digging will need to be done to stress test and come up with concrete examples of what might be considered, you know, falling under the different buckets to again then see is that indeed consistent with ICANN's mission.

Becky, I see your comment. I'm not really sure if that is in relation to what I'm suggesting, but if it is, if you have a suggestion...

((Crosstalk))

Becky Burr: ...saying is we may ask them more than just is it within the mission, ask them to explain why.

Marika Konings: Great, yes, thank you. So yes, so maybe I can work with the leadership on a survey that tries to achieve that or at least work toward that. And again we can then maybe share that with the CCWG for preview so you can see if, you know, are we asking the right questions or are we structuring it in the way – in the right way. And then launch the survey following that. Is that something that...

Ching Chiao: Sounds good.

Marika Konings: ...will work? And maybe I can then briefly follow up as well the other document that focuses on the not of the objectives. And again, I think this is also a document if people have further additions or questions about it, I'm not really sure if we need to poll on these or whether I think the only reason we may want to poll on some of these if there are – if people are of the view that some of these should not be excluded. And again, I'll give everyone the opportunity to look through the list.

One change that was made here as well and was pointed out I think by (unintelligible) during the face to face meeting that, you know, one of the comments was listed under an overall bucket while it probably deserved a separate bucket, and as said the last one I created that, you know, funds should not be allocated to projects that maintain existing inequalities. But again, I think on these – I'm not really sure if at this stage we need further discussion, I think only if people believe that some objectives have been included here that you do believe should be part of – or potential objectives and in that case it would need to move to the other category.

I'm not seeing any hands. I think we just basically keep this now then on record as some of the objectives that have been identified by the CCWG as not being suitable for fund allocation.

Ching Chiao: Marika, I have a probably also be helpful to remind the group is that for this particular question too, I know it relates to the bigger scope question, you know, what are the status now and what would be the next steps? I can see from the discussion here is that to list in more details of the objectives and then have the staff to have input say yes or no plus why yes and why no.

Are this, you know, firstly, you know, matching the schedule that we're doing and, I mean, secondly, you know, probably it would be a good kind of reminder telling the group is that where are standing right now for this particular scope question. Or...

Marika Konings: Thanks, Ching. Again I think from my perspective, indeed, the CCWG will need to come to some kind of agreement on what it considers the overall objective of fund allocation. And as noted, hopefully (unintelligible) we may get closer to assessing, you know, where the group – what the group supports and what it doesn't support. And it's of course not only about supporting but it will also be – need to be the question of how does it align with ICANN's mission and is considered, you know, within scope of ICANN's mission.

But as said, I think then the next step would be once we've been able to narrow down the different categories or maybe one category, again, that's not determined yet, we probably will go back to the original responses to the survey because for each of the objectives that were identified, we did ask CCWG members and participants to identify specific examples or projects that they considered part of that overall objective. So from my perspective, the next exercise...

Ching Chiao: Yes.

Marika Konings: ...would then to be list some of those examples, there may be other examples that others put forward, and then again also stress test to make sure that indeed there's a common understanding of not only the overall objective but also what kind of projects would fit underneath that. And I guess I know some point that will lead then also to conversation of indeed, you know, long term versus short term, you know, size of projects, so but at least from what I've understood that this is really one of the determining factors or an important question that will need to be at least some preliminary agreement on up front in order to be able to meaningfully move into some of the other questions that need to be answered.

Ching Chiao: Sure, I mean, thanks very much. I think it makes the group like, you know, I just want to make sure that, you know, people while looking at this, you know, we're on the same page. We're coming to a point that those thoughts being

put together and then coming to a point that we're trying to make some preliminary agreement on this so as you correctly point out, Marika, is the stress test for those criteria whether they're workable, whether they were not, you know, go through the stress test.

I think at this point probably let's just, you know, actually just, I mean, keep this thing going, and then...

Marika Konings: Ching, did we lose you? Can I still be heard?

Terri Agnew: And, Marika, this is Terri. I still show Ching's audio connected but we're checking into it.

Ching Chiao: Let's go through...

Marika Konings: Okay thank you.

Ching Chiao: ...the next one, the questions for external...

Terri Agnew: This is Terri. Ching, I'll go ahead and write this to you as well but it sounds like your audio is cutting in and out for us, it's no longer stable.

Marika Konings: Yes, and this is Marika. I think I did hear Ching say that he wanted to go to the next item on the agenda so while Ching reconnects his audio, and I think he just logged out of Adobe Connect, I'll just upload the documents for the next item. And maybe we give Ching a minute to come back online.

Terri Agnew: And this is Terri. Officially his line has disconnected so we'll go ahead and get him reconnected.

Marika Konings: Okay thanks. Thanks, Terri. And maybe in the meantime I can actually talk about this item as well. So the next item on the agenda in relation to questions for external experts, as you may recall, we identified very early on

in the discussion that at some point there might be a need to obtain external input. And as part of that everyone was asked to identify potential contacts or organizations that might potentially be able to assist with that.

That information is captured in the Google document which is linked from the working group wiki space and if you still have suggestions, of course you're encouraged to add to that. But now we're actually into the next stage of that by starting to identify and capture potential questions that we would like to put forward. I don't think it's the idea to, you know, immediately move forward and send these on, but it's really an idea to start gathering and capturing some of the questions that external experts may help inform working group deliberations on.

So what you see now on the screen is the input that we've received to date. As you can see both Xander and Erika have already identified a number of questions. I think there were a couple of questions that at least I identified from some of the conversation today that I would happily add to the document. But you're really encouraged to go to the link that you see in the agenda and add any questions that you think may – would benefit from external input.

So basically the way it's set up is that you would identify the questions, identify whether it's related to a specific charter question or topic, so that would allow us potentially as well to group certain items together and make sure as well that the questions that are being asked, you know, are clearly linked to the work that the group has ahead of itself.

To identify, you know, are there – is there specific expertise needed to answer these questions, in certain cases, for example questions may be more suitable for larger type organizations or those will specific expertise so if you have an idea about that, please add that. And as well, you know, just identify who's the person for the question so if there's a need for further clarification we know who to ask.

So that is where things currently stand and just checking whether we have Ching back on audio and I see that Erika has joined Adobe Connect in the meantime as well. Welcome, Erika.

Terri Agnew: And, Marika, it's Terri. We do not have Ching as of yet but we're getting that sorted.

Marika Konings: Okay. Thanks, Terry. So I don't know if – this is Marika again, I don't know are there any questions about this document for external experts? Anything we should be adding or is this clear and you'll all go in there and add your respective questions.

Kavouss Arasteh: Excuse me, Kavouss has a small note.

Marika Konings: Go ahead, Kavouss.

Kavouss Arasteh: Yes, external expertise requires careful study to see what is the scope of the project and whether the scope of the project justify to have external expertise and also the amount of the credit available to transfer, I don't think that we need to go to the big expenses for the project which may not justify to have external expertise. Thank you.

Marika Konings: Thank you, Kavouss. And I think at least at this stage, I believe all those that have been identified as external experts are contacts of people and the hope is indeed that, you know, some of the feedback there may not be a cost associated with providing. But of course it's too early to indicate that at this stage. But I think the hope is that some of those identified might be willing to share, you know, based on their experience and the role they may play in certain foundations or organizations, they will share information that is helpful for the CCWG.

And I see we have Ching back on audio. Ching, just for your information, I think we just covered agenda Item 6. I don't know if there's anything more you would like to add on that one.

Ching Chiao: Great, okay. Just like, you know, (unintelligible) I think that most of the items now currently are to be taken initiatives by Erika herself so probably also need to (unintelligible) once again for the items on the chart here (unintelligible) actually mean. So probably not everybody in the working group has the same understanding for so do you – I mean, so you want to, you know, walk through? Next time when Erika has more time for this (unintelligible) I actually probably (unintelligible) for this item. Hello, can you hear me? Hello? Can you hear me okay?

Marika Konings: Yes, Ching. We can still hear you. And if I may add one thing, once indeed we have a set list of questions, you know, one of the things we may need to ask as well what stage in the process will it be helpful to have that input. We're now dealing with a number of questions that require a preliminary answer up front before we dive into the details and, you know, looking at some of the questions some of them may be more suitable or more appropriate to have that input at a later stage. So I think at some point we probably need to map the questions, identify with our charter to determine, you know, where will that input be best served.

Ching, are you still with us? I see that Erika has her hand up. Looks like Ching got cut off. So Erika, are you on audio?

Erika Mann: I'm here. I'm here. I'm not sure if you can hear me well but I'm here. Apologies again colleagues, we had a serious issue to sort out so I'm really, really sorry for this.

On these question on – for the expert, what Marika rightly said, I think we might have two phases we have to (unintelligible). So one, which we should ask the expert when the – for the calls which we have set up for them and

maybe you should remind us, Marika, when this is going to be because we identified dates, and then I think we shouldn't assume that our particular environment will be understandable to most other funding environments.

Because everybody comes from a different group when you take the Gates Foundation, for example, which I know very well, I mean, they have very particular goals. So it will be hard for them to understand what we want to achieve. So we might have to translate it but maybe less (unintelligible) about the scoping questions because they will have no clue and they will not be able to understand this. But I think we have to be a little bit more precise in our questions.

So what I did here, I was trying to be relatively detailed but I think some of the questions we definitely have to ask them in such a detailed way because they already have experience, because I'm pretty sure some of them can talk, you know, if it's good for example, to create different baskets, where you serve different purposes or is it just good to have one big fund. And we might get different answers depending whom we ask.

So I think if you would review at least that's my – what my visual is, maybe just review this and put in all of the questions you have and then maybe Marika and Ching, we can sort this out later and can come back to you and can say maybe these are the questions which we definitely would want to ask in the first round and maybe we need the second round more closer to the end where we go more into the precise funding environment.

But that's something we then have to discuss. But then I reviewed this and thought about the questions we should ask. I thought we want to be as precise as possible and sticking as close as possible to question other people from different funding environments to understand. I hope this makes sense to you.

Marika Konings: Thanks, Erika. I don't know if we have Ching back but on your question, I think we had initially identified the last call of August as a potential opportunity to engage with external experts identified, but depending on indeed the feedback we get and where we are in our deliberations we will probably need to see if that timing still works. And I know one of the things we also discussed on whether it would be helpful to first (unintelligible) those questions by email to external experts and then following that, you know, have a more in depth engagement.

So I don't think we have Ching back so maybe...

((Crosstalk))

Erika Mann: Marika.

Marika Konings: Yes, go ahead.

Erika Mann: We might need something else. We might need a short one pager maybe explain the purpose of this particular fund. With all the uncertainties we still do have but so that they get an understanding, it is young, it is fresh, it is not even – they are not even fund managers there. It is related to our mission statement and we have to describe the mission statement in a way they can understand it. So we need probably one pager or not more than a two pager which we then send and then some questions which we think are bigger, more umbrella kind of questions. But we want to learn as much as we can from them.

And my – I mean, we can start with anybody else but since I know the Gates Foundation, this fund manager very well, he's very (unintelligible) and he's very familiar with different environments, maybe we want to start with him because I think he would understand and he has a good understanding about the Internet because of his past history. So there might be a connection for him easy to understand what we do. Or another topic would be to select

somebody from a foundation which is closer to our environment. I think we need to start with somebody who can focus on our specific and it's not totally foreign to them.

Marika Konings: Thanks, Erika. I think that's definitely a very good suggestion and something we've also discussed in a different context that may be helpful to have a type of regular update or newsletter style that explains in easy terms, you know, what this work is about, you know, what the status is and that will hopefully then help as well engagement with both external experts but also others that are following this work are interested.

Ching, go ahead.

Ching Chiao: Thank you, Marika. I think I would like to actually to agree with Erika so (unintelligible) somewhere if we can have direct access to you fund manager at Gates Foundation or some of the other entities who have expressed their interest in helping out more, for example, like the dotNL registry or Nominet, yes, I totally agree, we have to start somewhere to get this going and getting input from the external experts. Thank you.

Marika Konings: Thanks, Ching.

Ching Chiao: Okay. So I guess for us – thank you, Marika. Yes, I guess for us this is quite a good meeting. I think we're reaching to the agreed 90 minutes so we have unless someone has other issues against this particular topic, I think we're good for the discussion here. The next meeting for us is July 27 1400 UTC. So with that I think we are good to leave. So thanks, everybody, for your time. We'll talk next time.

Marika Konings: Thanks, Ching. Bye all.

((Crosstalk))

Ching Chiao: Bye. Bye-bye.

Terri Agnew: Thank you. Once again, the meeting has been adjourned. Operator, (Marty), if you could please stop all recordings. To everyone else, please remember to disconnect all remaining lines and have a wonderful rest of your day.

END