

**ICANN
CCWG New gTLD Auction Proceeds call
Thursday, 25 May 2017 at 14:00 UTC**

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Coordinator: Recordings are started.

Julie Bisland: Okay. Thank you. Well good morning, good afternoon and good evening. Welcome to the CCWG New gTLD Auction Proceeds call held on the 25th of May, 2017. In the interest of time there will be no roll call as we have quite a few participants, attendance will be taken in the Adobe Connect room. If you are only on the audio bridge could you please let yourself be known now? And I do have Xavier Calvez noted.

Okay, hearing no more names I would like to remind all to please state your name before speaking for transcription purposes and to please keep your funds and microphones on mute when not speaking to avoid any background noise. With this I will turn it back over to Ching. Please begin.

Ching Chiao: Thank you, Julie, very much. Thanks everybody for joining the call. So this is Ching Chiao once again, helping out to chair this meeting while we are waiting for Erika to join. I understand that she is in the neighborhood that may have some interesting event happening. So but I'm pretty sure that – okay so you are here, so Erika, could you – maybe you can just simply take over. That's right.

Erika Mann: Hi, Ching. I'm not sure everybody, if you can hear me. And connection might be very difficult. We have immense issues on the Internet, so be not surprised if it is getting disrupted. Trump is here and the Belgians sometimes tend to over response sometimes on Internet issue and kind of money issue when they are afraid about certain security issues. So just be not surprised. But wonderful there is so many are joining in so many from Europe as well because, some of you might not know but it is a holiday in some countries today, so wonderful to see so many on the call.

Ching, Thank you so much. So let's move to the – just give me a quick sign if – to tell me if you hear me. I see some of you are saying on the chat that you can understand me. Okay.

Perfect. Then let's move to the – let's move to the next item which is the input received on letter to chartering organization concerning our work plan. And the approach for dealing with the sub charter questions. Marika, would you like to give us a quick input where we are? Marika, can you hear me?

Marika Konings: Sure. Yes, this is Marika. It just makes a second to get off mute. I'm here. And if I can also...

((Crosstalk))

Marika Konings: ...mention that – yes. To note that in relation to the other letter the response we sent to the Board that that letter has been sent and is posted now under our correspondence page on the wiki. So in relation to this letter...

((Crosstalk))

Erika Mann: Marika, just a second. Because you mentioned this – the letter which we sent to the Board, we received already a quick reply from Steve just confirming that he received the letter and I'm pretty sure if something is going to be –

something they want to comment on they will come back to us, Marika, sorry for disrupting you. Please continue.

Marika Konings: No problem at all. In relation to the letter that we are discussing now, and you will see the latest version on the screen, and thank you very much for Manal for submitting some comments on that. As you may recall on the last meeting we discussed that it may be helpful to reach out to the chartering organizations and give them an update on where things stand especially since the CCWG has now adopted its work plan as well as the approach for dealing with the charter questions.

So to that end we drafted a letter that you see up on the screen that is kind of conveying the work plan, providing a bit of explanation of the different steps that are included as well as the target that the CCWG has set itself at this stage for delivering an official report. And then in the annexed it includes the actual work plan as well as the mind map that maps out the approach for dealing with the charter questions.

Manal submitted earlier today some edits that at least from my perspective help to clarify some of the points made in the letter. And, Manal, I did respond to one of the questions you had so I'm hoping to hear from you whether that satisfies your question or whether you think further changes need to be made to the letter. But indeed if there are no further questions or comments the idea would be that staff would basically send this on behalf of the cochairs to the different chartering organizations so they have this information, and of course already position as well to contact us back should there be any questions or clarifications needed.

And of course the hope is as well that all the chartering organizations appointed members are also available to provide any clarifications or further information that the chartering organizations may require.

Erika Mann: Thank you, Marika. I'm looking – nobody wants to raise a point? Manal, would you like to make an additional comment to what you sent?

Manal Ismail: Thank you, Erika. Yes, just to clarify the reason for the edits, first of all we said that we have broken down the deliberation into six phases and we keep referencing initial responses. And I just felt that a first time reader will not understand where the responses to the questions come from so I just inserted in the introductory paragraph something to that effect stating that the questions which were recently adopted by the CCWG and to which initial responses were gathered from CCWG members, so that's when we later on reference initial responses people understand where do these come from.

On the first bullet, I just proposed a few edits. And again, I fully understand everything in the letter is a copy and a paste from the diagram that we have already agreed but, again as I said, I felt a first time reader might not have the same background information that we have so clearly to make things a little bit clearer.

And finally, on Bullet Number 2, it reads, "Address any charter questions that have been identified requiring a response before commencing the next phase." And I understand that we probably need to answer them all before commencing the next phase, but probably that we here mean that questions that haven't been responded to in the initial run-through and this was a question, in fact, I was not sure if my understanding was accurate or not.

I leave it at this and, Marika, if you can help me with Number 2 I would be very thankful. Thank you.

Erika Mann: You mean Number 2 to read it?

Manal Ismail: Yes...

((Crosstalk))

Erika Mann: ...asking, Manal? I think your comments are very clear. They clarify and make it easier to understand so what you edit is here some of you can see it so the original address any charter questions and you add then that helping define requiring a response so you clarify and make the reference just much more clearer, if I understand it. Or do you make a comment on the right side? Yes. You raise the question practically here. So just maybe you explain again – you just asked me – I'm not sure what you actually asked me about Point 2. Do you want to read it or do you want my comment to it?

Manal Ismail: So reading it, to me, sounds as if there are questions need to be responded to before starting the following phase and questions that not – that do not need to be responded to before going through the following phase. Which I don't think this is what we wanted to say. I thought maybe we wanted to say that this part should address questions that are still not addressed through Phase 1, the initial run-through. I'm not sure I made myself clear. Maybe I can try again. So...

((Crosstalk))

Marika Konings: Erika, if I may respond?

Erika Mann: Yes, of course, Marika.

Marika Konings: Yes, because this is Marika. Manal, I actually sent the response to your question via the mailing list but as it probably just came before the call you may not have had a chance to review that yet. But basically I know that there – that is at least the approach that we're following is that there's a – there was a recognition from the group that there may be certain questions that do need a response whether it's a, you know, preliminary agreement or you know, tentative consensus of the group before we can actually look at some of the mechanisms that may be suitable.

For example, I think one of the questions that was identified that probably needs a response is, for example, the objective, the overall objective of fund allocation, you know, what is within scope or what is considered without scope. I think another question that was identified that probably needs a response or at least, will have a determining effect on which mechanisms to explore is the question on, you know, whether ICANN should be responsible for receiving and evaluating applications.

You know, the answer to that will of course determine, you know, what kind of mechanism you may need to look at. So that is what that – that point aims to address while there are other questions that probably can only be answered once the group has made a determination or at least has indicated or identified mechanisms that it wants to explore further. For example, the question of overhead, you know, looking at different models will help the group answer or provide an answer to that question.

So that is what that specific Point 2 aims to explain. And if that's not clear, we probably need to have another look at that to see how we can make that further clear and maybe this notion of, you know, gating questions which I think we've used in the past where it's clear that an answer to that question will actually determine, you know, which of the mechanisms may be most suitable. That is a bit the idea behind those questions that need to be addressed before we can actually move into the next phase which is kind of mapping out the different mechanisms and then trying to determine which of those have the most potential based on, you know, that initial response to those questions that were identified as gating questions. Does that make more sense?

Erika Mann: Marika, maybe – yes, Marika, Erika on the call. Marika, I have one point because I think Manal is right in the way she asked the question because I think we have – we have to consider that those people we will send them to they not automatically will have the full context of what we discussed and debated. So all the phrases and framing we do in these question like charter

questions, or even gating question might not automatically be something familiar for them.

So we might have to say after the first paragraph before we come to the one, two, three, 4.6, we might have to say a charter question we define as the following and maybe we have to explain the process as well so the charter question be defined as a process which is set up before we will come to defining the process in itself or something like this so that people who are reading it really can understand it. I think she points out to something like which we sometimes too quick in assuming that everybody understand what we are talking about.

So we just add something below the first paragraph and then I think the other questions will become automatically more easier to understand to be understood. Does that make sense? Have I lost you all?

Manal Ismail: Well actually I have my hand up. Can I speak? This is Manal...

((Crosstalk))

Erika Mann: Sure, go ahead, Manal.

Manal Ismail: Okay. So thank you, Marika, for the response. Actually I'm sorry I missed your email. And, Erika, yes, on exactly you made my point. This is what I wanted to say. Actually I had a first reading and I sent the letter is just perfect. But then on a second reading I started recognizing that not everyone we will send them the letter would understand the same understanding. And having said that, let me suggest something for Number 2, and just check if this is accurate in light of what Marika said.

So maybe if we say address any charter questions that have been identified requiring further detailed response before commencing the next phase investigating possible mechanisms, for example. Thank you.

Erika Mann: I don't see further – I don't see anybody wanting to comment on this point. I think, Marika, we are clear, so we – if everybody agrees we will just add the clarification below the first paragraph before we start with the bullet points. And then what – I'm fine with what Manal just said, I think it adds – it clarifies the point – Point 2. Marika, are you okay with this?

Marika Konings: Yes, this is Marika. Yes, works for me.

Erika Mann: Okay wonderful. Anybody else? What the timetable for this? When we are planning to send this out? Have we defined this already?

Marika Konings: This is Marika. There's no firm timeline but I'm guessing the sooner the better because that will also allow chartering organizations to review this well ahead of the Joberg meeting so should they have any comments or questions or if there's a need to engage with either the members or the leadership team they have an ability to do that in advance. So my suggestion would be that I'll go ahead after this meeting to make those update as discussed and send that to the list so then hopefully we can circulate it relatively shortly after the meeting.

Erika Mann: Wonderful. So if I don't see anybody else who want to raise a question or wants to make a comment I assume that you feel all confident with the recommended approach so Marika will make the changes we've debated and then send it to the various groups. So I hope you feel confident with this. Okay fine.

Marika, let's move on. Let's come to point – to the next item on the agenda which is the charter Question 4.

Marika Konings: Yes, this is Marika. So I'm just uploading...

((Crosstalk))

Erika Mann: ...so that we can see it. Okay. Perfect. And please be so kind give us the introduction. Thank you so much.

Marika Konings: You're welcome. So this is Marika. I think this is actually one that we already briefly covered during the last meeting but we didn't have a whole lot of time left for discussion so I can cover this one again. So charter Question 4 reads, "What aspect should be considered to define a timeframe, if any, for the fund's allocation mechanism to operate as well the disbursement of funds?"

Example given, "The timeframe for the operation of this new mechanism may provide the opportunity for long-term support or for funding to be released in tranches linked to milestone achievements, single or multiple disbursements." And there were a number of comments that were submitted in this regard. First comment notes that maybe a similar model as what is being used in the context of the European Commission framework approach could be used so that would be an overall strategic plan and then within that plan there would be different calls each of which would have a certain given focus as well as a certain amount of funding available over a certain period of time.

I noted I think as well during the last meeting some also took this as a – as focusing on not only on the length or duration of calls but also the overall mechanism so the second comment goes more towards the fact that this is a single event, you know, one time fund so there should be a period at which point the structure sunsets so that should inform the setup and as well the rules for disbursement and productively – and productivity simplifies both.

And I think actually these were some of the comments that were also received on the mailing list, not necessarily in the Google Doc, but this was a conversation we had very early on. Another comment that was made in response to that was noting that, you know, even though this is indeed a one-off or one-time event, you know, there may be other rounds, there may be

auctions, and such, you know, there may be additional proceeds that would be earmarked.

And the person is I think basically saying that, you know, even though it shouldn't be the focus of the work that this CCWG is doing, it shouldn't either prevent should there be anything in the future that mechanism to be applicable again to not have to redo the work and start all over again.

Another person notes as well if the funds were to be allocated through partnerships that support the three communities across ICANN then having a medium and long-term perspective should be desirable. So there's a certain number of time that would be needed to make sure that it has the impact that is desired and this says to plan for a minimum of 10 years as that should allow for the opportunity for the dust of the current political or economical (unintelligible) to settle and properly address questions about stability.

Another person suggested that there should be three separate calls dividing the amount of money in three groups as called out in ICANN's mission, so names, numbers and protocols/standards. Someone also pointed out it's important to realize that granting money to the right projects could be a very time consuming effort since it is not only granting money but also selecting projects and monitoring milestones and results.

So here this person is suggesting that as a result (unintelligible) should be limited to certain amounts and as well if you then divide that up you have quite a number of applications that could be run as well over certain timeframe so this calculation provides for 25 organizations five years to sub grant the whole fund. And the person argues as well that this is one reasons to not have the complete auction proceeds disbursed to just one new central ICANN organization.

Then in relation to some of the other questions we identified in the template, is in which order should this question should be dealt with. The observation

here has been made that this question I think is part of the original survey, was flagged as a potential gating question that, you know, noting that it should be addressed early on as it will likely determine the response of – to some of the other charter questions as well as determine which mechanism may be the most suitable.

So that's all I have on this one.

Erika Mann: Thanks, Marika. I mean, this is the – I wonder how we want to deal with this question because it's very difficult I think to discuss the various scenarios which are potentially possible without having a clear idea how we want to structure the funding environment. It's a little bit tricky to – not to have these two connected to each other. So my personal question would be if we would – if we could consider to postpone this question until we have the exchange with the experts. We have this today, we want to come back to this point and want to discuss this point under Point 7.

You'll remember that we debated that we will invite experts for discussion concerning the models they have selected for their particular funds or foundation or whatever they have preferred for their particular funding environment. So my question is what – it's more a general one, is it really helpful to debate this question right now or shall we come back to it when we have a better understanding how other organizations which is similar in nature or which have a similar public purpose environment are dealing with a – the such kind of fund.

I see Ching. Ching, why don't you go ahead?

Ching Chiao: Thank you, Erika. I would just like to – simply like to echo what you have just said and also maybe to add one point is to keep in mind that we've talked about the administrative costs for the fund and if we have, let's say, a particular percentage that we've been discussing is – let's put that kind of thought here is that are we comfortable giving away or distribute let's say,

10% of the fund each year and we will run this for, you know, a number of years.

So I guess we are also talking about a kind of a percentage wise something that it is you know, it's reasonable in terms of running a nonprofit and also in terms of kind of in the commercial sense of the run rate of the – how this fund would be I mean, utilized. So I'd just like to make one point here. Thank you.

Erika Mann: Okay, so are you – we had the discussion about the question how much money shall be allocated to the administrative costs shall be allocated to the – to this prospect how we define this specific fund. We can add this here again just as a reference maybe, Ching, if this is what you are recommending without being precise because if I remember this right, we already have found a language. Maybe, Marika, you can remind us what the language is which we had already agreed on about the administrative cost. And we make this in the – I think we even made a reference if I'm not mistaken, in the letter to the Board. Can you remind us please?

Marika Konings: Yes, this is Marika. And I think it's actually one that is coming up in our call today, if I'm not mistaken. But it actually – I'm trying to think what we wrote, I think we wrote something along the lines that it's definitely an issue that needs further consideration that, you know, we'll take all the different viewpoints on board. But you know, obviously also depends on the, you know, mechanism chosen what will be needed and what will be appropriate.

And I just checked, it's actually Charter Question 8, so we even may get to that conversation later in this meeting.

Erika Mann: Okay, great. Because if I remember, I was trying to find the Board letter but I couldn't find it quickly enough. We kept it quite (unintelligible) but if I'm correct and you confirm what I was sensing. So okay nobody else wants to comment, we get confirmation in the chat room to come back to this question at a later

point. I see comments here from many colleagues. Nobody is recommending that we have to do – deal with it right now. No.

Okay so, Marika, we come back to this point again. Thank you so much as well for quoting the response to the Board. Okay so let's move on then to the next chartering question, and we come back to this particular one after we have the – in particular after we have the exchange with the external experts. Thank you so much, everybody. Marika, back to you again. Marika, can you hear us?

Marika Konings: Yes, thanks, Erika. I'm here. So Question 6, that is up on the screen reads, "Should any priority or preference be given to organizations from developing economies, projects implemented in such regions, and/or underrepresented groups?" And here again we've got a number of responses or input in response to the Google Doc that's still available for anyone interested and in the redline you see as well some of the input that was received just before the call today.

So first respondent notes it's an important criteria but beyond the organization's location we should look at the beneficiaries. Global organizations typically have programs in developing countries and for minorities and funds can be earmarked within them.

And another person notes, it depends, the funds shouldn't be restricted only for organizations from developing economies, projects implemented in such regions and/or underrepresented groups but they should be given the support to have an equal footing to participate at the stage where the proposals are developed. Provide localized guidelines, application forms, make wide promotion of the opportunity is key. So if during an application process only proposals from developed countries are received, then a strong effort to get proposals from developing countries should be done.

A lot of key – of the key infrastructure that might benefit from applying to some of these funds is located in developed countries that are currently facing a lot of uncertainty and instability that might affect them if their funding comes from government agencies. Proposal should be judged based on merit alone not from where they come. Institutional capacity might vary but that offers an opportunity to provide support to strengthen organizations in less developed countries. It depends on the purpose.

And someone notes, it's relevant, a developing economy are the ones not contribute pretty much to the ICANN income and this is due to the lack of knowledge, limitations of resellers as a survey in the LAC region has showed.

And someone noted as well, sub-granting organizations with sufficient capability and track record should be used by ICANN wherever they are located. And project proposals can be issued to these sub-granting organizations again, from issuers wherever they are located.

And then the comment that was received just prior to this meeting, if we read the introduction of the ICANN strategic plan for the fiscal year 2016-2020 we find the mention of global inclusivity and its importance to ICANN stakeholders worldwide for ICANN to fulfill its mission. In the vision statement there is also mention of cooperation among stakeholders worldwide to facilitate ICANN coordination role and the first strategic objective states evolve and further globalize ICANN. To that end, I believe the priority should be given to underrepresented communities and developing economies underrepresented in the stakeholder community.

And I think if I can add a little bit, the responses seem that people have approached this from two different perspectives. I think on the one hand, looking at, you know, does this question deal with those that are applying of the funds or for the target audience of those projects. So again, and I didn't list it here yet but it may be one of the sub questions that the group may need

to deal with that it may need to look at those both aspects, both from who can apply as well as priorities.

And again, I think a linking here that may be with the overall objective of the fund allocation that to a certain extent may also determine, you know, whether priority or preference needs to be given linked with what is identified as the overall objective, again, linked closely to ICANN's mission. So maybe those are two points that at least should be added to the template if others agree.

Erika Mann: Thank you, Marika. Erika Mann on the call. Now I agree with you. I think it would be good to have these as sub questions and then the – maybe the main question is which we want to spend some time today to have a first exchange about whether we would want to earmark a certain percentage or a certain amount either for participants from developing countries or for projects which will be executed in developing countries.

Or we just want to have applications pending on the – on practically on the way they are regarded as the Number 1 or the Number 2 and then the money will be granted to them independent from the region they are coming from or the place they are.

I would like that we spend at least a certain amount of time to discuss this because I know from other in funding environment how difficult it sometimes is and it would be good maybe to get a first understanding of what we prefer or if there's a kind of common understanding between us what we would want to recommend as a group. Anybody have some ideas and would love to say something? Alan, please go ahead.

Alan Greenberg: Thank you. I would not want to see anything reserved at this point. I don't think we have a strong – a good enough understanding of the kinds of projects we're going to see, and I don't think we will until we actually invite proposals. Moreover, there's a lot of, you know, we're strongly limited by the

mission of ICANN. But even if you look within the mission, the couple of things that we talk about today a lot are universal acceptance and IDN usage and things like that, and those apply in many developed countries as well.

So it's not at all clear where our focus should be. I'm happy with the laundry list we have here. It captures a lot of the ideas. If you look in a different part of ICANN at the fellowship, it took us a lot of years to realize that there are underdeveloped regions within developed countries. And finally, the fellowship will now accept people from developed countries if they are underrepresented. And I think we have to keep that in mind here and I don't think we want to make any decisions at this point that would restrict innovative use of these funds. Thank you.

Erika Mann: Thank you, Alan. Ching, would you like to comment? Or did you put down your hand?

Ching Chiao: Yes, that's right. So Alan pretty much, you know, covered what I want to say. So thank you.

Erika Mann: Elliot, is this a hand? Okay...

Elliot Noss: Yes, sorry.

((Crosstalk))

Elliot Noss: Can you hear me okay now?

Erika Mann: Yes.

Elliot Noss: Yes. There's two points I would like to make that I think are worth calling out explicitly here. And when I say that here I mean, sort of in our formal, you know, response or public writings about this charter question. The first is, you

know, without a doubt, and I think it's very important, that we're focused on beneficiaries as opposed to organizations.

I think that, you know, one of the things that would break my heart with this opportunity that we have, which again is unique in time and space, is if we simply disbursed to a number of large organizations who while I'm sure do work – do good work, have probably very high expense ratios, and when I say high, north of 10%, 20%, 30%, even 40%, some of course are up to 60% and 70%. That would be just disheartening for me. So I think we should have a focus on beneficiaries.

And in terms of regions, you know, I'm very comfortable with what Alan said around not being proscriptive in any way. But I do think, you know, we should be clear, these funds are – just with an explicit statement, these funds are being used to help people in need, people who are disadvantaged, people who are underprivileged, whatever language we would like to use there so that we do constrain the use of the funds to those who could most benefit.

And I think that then, you know, anything else can be a guideline around that, but those two principles are very important to bake into the heart of what we do.

Erika Mann: That's an interesting point you raise, Alan, you practically recommend to have a kind of guideline or something explanatory statement which gives more clarity to the purpose of the – whoever will receive the – or will be able to request a fund. So I'm, at this stage, much more – I think I like Alan's approach which is a bit more neutral at this stage and keep all options practically open and is less purposefully clarifying even the purpose, if I understood Alan right, because what we already have highlighted.

And, Nadia, would you want to say something? I saw your hand popping up and then it's gone again. I'm not sure if it's a fault in my system that the hands pop up and then they are taken down again or if you purposefully took

your hand down. Nadia? Okay. My just system failure which I have in my system today.

So how would you want us to take this forward? Can we agree with the approach which allows us any time to come back to it even if we have a clearer understanding about the timetable and the funding environment, so we would practically to some degree postpone the debate as well and keep it as open as possible at this time with the mission which we already have clarified and which we have put forward on this in this document which was called initial response. Are we confident with this?

Elliot is saying that he sees nothing limiting there. Becky? Becky, you make a long comment, why don't you talk about it and I don't have to read it. Becky, can you talk?

Becky Burr: Okay, I was just saying – yes, I can talk. I was just saying that I think, you know, in this like we're talking about, you know, the use of the funds has to be within ICANN's mission and ICANN's core values require us to make sure that participation reflects the functional, geographical and cultural diversity of the Internet. I'm just trying to read the bylaws provision, at all levels of policy development and decision making to ensure the bottom up multistakeholder policy development process is used to ascertain the global public interest.

And so I think that that sort of – that just citing to that core value helps us keep the conversation open and focused on that issue in a non-prescriptive way at this point.

Erika Mann: Yes, I would say we will have all the comments again in our notes so we will have to come back to them at a later stage again because I'm just reading what Stephanie is writing and Elliot. I think you're right, Becky and Alan, I think the objectives which is guiding practically this work which is the mission statement and then the – to some degree the principles which we already have defined and the principles as they are defined in the bylaws. But

nonetheless, we are able of course based on the principles and based on the – on the mission statement we cannot go – of course go a step further and can make a further clarification or frame it the language in a different way.

So I would recommend that we don't – that we come back to this again similar to what we debated before once we have the discussion with the external experts because I think this might help us as well because I'm pretty sure that many of them have similar issue and similar difficulties when they defined their foundation or their funds. I would be surprised if we will not hear from many experts similar difficulties they experienced.

In the meantime, I see Alan and Hadia raising their hands. Alan, why don't you go ahead?

Alan Greenberg: Thank you. Asha has asked, you know, to be – to explicitly answer the question, do we want to see words saying should we set priorities or preferences? And my answer is at this point is no. I am fine saying we have a preference to using the money most effectively, but to identify preferences and priorities in recipient groups or the exact use of the funds I think is too prescriptive at this point. I don't think we understand. I think we may end up having problems because of the restriction admission finding good uses.

We have – we're talking about a lot of money here and I would not want to have to turn down good projects that will benefit people and benefit the Internet because we set some rules here.

So I – I'm looking for good use of the money that's a very nonspecific description, and I would not want to see types of projects or types of economies or classes of people favored at this point. Thank you.

Erika Mann: Thanks. (Heidi L) please. (Heidi) are you talking and you're on mute? Okay this seems to be not working. Can someone maybe – okay it looks like we have a problem here so how do we deal with this right now?

I think it makes no sense to continue the debate. I think we have an understanding so what I would recommend - because I'm convinced we will have to open this discussion again and I don't think it helps us to go deeper at this stage right now.

So Alan is saying tactically no - beyond the mission statement and the principles which are guiding us no further narrowing down of any particular group.

And Elliot is making a more – if I understand you right Elliot is making the point that it might be helpful to add the – some precedences for certain locations or for certain projects of a - certain groups.

So I would – Elliot I see you again. I come back to you in a second. So my point is not to deepen the debate right now because I think we will have to come back to it once we have a better understanding about the other chartering questions we have to discuss and after we have spoken to the expert, and then we will have to come back to this discussion.

I think we – under – the differences but we will have to come back to it. And let me try again (Heidi) if there's a chance. Can you hear us? Can you talk now?

Woman: (Heidi)'s line is unmuted at this time so if she is speaking there must be something wrong with her connection.

Erika Mann: Okay. Okay thank you for letting us know. Can you check maybe again why it's not working?

Woman: Yes.

Erika Mann: Elliot please go ahead.

Elliot Noss: Sorry. Yes Erika I would not describe, you know, I think that the language you used was misdescriptive. I am identifying two things that we are focused on: beneficiaries not organizations.

That's the lessened point but I think an important point and I'd be comfortable to bring that one but, you know, the other point should not be limited.

You know, the – this money is to be used for those in need. I give a very specific example of what I do think we can preclude at this point and I don't find that limiting in any way.

I think it's putting soul into what we're doing and it's identifying the proper purpose for what we're doing and it's overarching. And, you know, Erika I don't want, you know, I think that we're all going – this is going to be a big body of hard work.

And I think that, you know, it's a mistake to sort of kick the can down the road every time that we're bumping into something. I think this is a – what I'm putting forward here is very simple and I would suggest taking a, you know, a pulse of the room.

But again all I'm talking about is a clear statement that this money will be used for those in need. We can wordsmith what that means and (Becky), you know, you did try and get there in an inferential way through two elements of the, you know, the ICANN sort of charter.

You know, this is consistent with mission and here's a part of the mission. I get that but let's be explicit about this. Why not just do a – what, you know, puts the right principles into this?

And I don't see that as favoring particular groups unless you're saying that it's favoring those who need the help over those that don't. I'm very comfortable with that if you see that as, you know, as favoring.

But it's not about a region or a type or any limitation like that so I just want to be clear that I think it's overarching. I think it injects a very important point into all of this and it makes our work – it gives our work a north star in a very positive way.

Erika Mann: Yes I see your point Elliot and I don't want to kick the debate down the road. I just – my personal experience that sometimes things shape out easier with such, you know, more – later in the definition phase.

But I'm fine with both ways and we can take apart but let me go to – I see Ching, Alan and Asha. Ching please.

Ching Chao: Thank you Erika. This is Ching speaking. I think – just my – a very quick point here is I think we all agree on – we could agree on one thing – is that the funds should – we should make the fund more easily accessible by those who are from the, you know, the developing countries or regions or underrepresented groups.

I think the point we're trying to make, I mean, definitely one thing is a need base but I think the mechanism that is being designed in the future is that the funds should be more easily accessible by those from the region, I mean, given the, you know, those places may not have the opportunities or, I mean, resources like this.

So I think that we should probably blend in something when we talk about the mechanism itself so I think just like to make the – that point here. Thank you.

Erika Mann: Erika. Thank you so much Ching. Alan please.

Alan Greenberg: Thank you very much. I would not support saying we are looking only to give money to disadvantaged economies and disadvantaged people. I look at something like DNSSEC clearly within ICANN's mandate and scope, an area where there may well be innovative projects and use of the money that could benefit the Internet and benefit the world we're living in.

I look at where we – ICANN has just hired a director of consumer safeguards. We're now talking about tools that look at, you know, phishing and other abuse of the DNS.

So our world – our view of what is within scope is varying and there's a lot of ugly things going on in the Internet and maybe some of this money can be used to address some of that.

And that – not – does not necessarily say it's focused on just disadvantaged economies and disadvantaged people and poor people. We may find some really good stuff to do.

I would strongly support that we don't give money to projects that can be readily funded commercially and from other sources, but that's different from saying who's going to – who the beneficiary is going to be.

So I believe we want to keep this open and not restricted at this point in ways that might hamper how we use the money for good things. Thank you.

Erika Mann: Thank you Alan. This is Erika. Asha please.

Asha Hemrajani: Thank you Erika. This is Asha Hemrajani. So I couldn't speak earlier and I – that's – and for some of – because my child was still up. So I can speak now and I put that text message and I kind of stored the parts so I just wanted to explain what I meant.

From a – from my personal perspective I had an issue with the text, “Should any priority or preference be given to organizations from XXX and whatever XXX may be?”

I had an issue with that about giving priority or preference to any one particular group, because my concern was that if we start defining at such an early stage these particular groups then we are going to be restrictive.

So in that respect I – and thank you Alan for articulating my question and I think you understood my point completely and I agree with what you said about being – not being restrictive.

I also agree a little – agree with what Elliot said but I have an issue – not an issue but I’m concerned about how we define what it means to be in need. So – and that also goes – is in line with what Alan just mentioned, which is it may not be disadvantaged countries or disadvantaged economies that are in need.

There could be an organization in need which is right under our – right underneath our own noses. So I would - from my personal perspective, not speaking on behalf of the board, I would try to make this not restrictive/as unrestrictive as possible at this stage. Thank you.

Erika Mann: Thank you Asha. There’s another comment from Jonathan. Jonathan would you want to talk about it because I think it’s a point which was raised by Steve and by some others as well? Would you like to explain it?

Jonathan Robinson: I can come in on that. As you saw from my comment - as you can probably see from my comment in the line below I’m thinking about either core critical infrastructure that may not be as well funded as we think it is, just given one example as root service, and that needn’t necessarily be – that could be on both levels.

It could be both on an R&D level, in other words there's a longer-term development requirement for some capabilities, some house security or stability issue or it could be a shorter-term operational capacity issue and really – but essentially a core security, stability and resilience requirement that may not be obviously attractive to commercial- or market-based funding. That's one.

Of course there's the other issue which I don't think is specifically covered here but it is a point that is ultimately a sort of elephant in the room, which is whether any – whether ICANN or any portion of ICANN will ultimately be able to apply for funding and I'm not sure that's covered here.

But I think for the moment I'd rather stick to the key points I made in the text above, which is this point about keeping an open mind to core specialist infrastructure.

You know, it's consistent with ICANN's mission as we've said before but that's core infrastructure projects. Thanks.

Erika Mann: Thank you Jonathan. Asha is this a new hand or this is your old hand?

Asha Hemrajani: Sorry it's an old hand.

Erika Mann: Okay. Manal please.

Manal Ismail: Thank you Erika. And yes I agree with everyone who said that it's too early and we should leave all the options and all the doors open and keep an open mind.

I think it – and it has to be an innovative idea, a creative idea, a useful idea, whatever we can call this and that it needs the funding or otherwise it won't be able to proceed.

I know it's hard to assess this but I think it's ABC that we will need to make sure or whoever is evaluating the project we need to make sure that the project really needs the funding irrespective of wherever this project or the needs will come from.

And as very eloquently described by other colleagues it may be an organization that needs the funding to do a service or even a startup in a developing – in a developed country so not necessarily from a developing region.

And in fact the idea itself or the project itself may be useful and beneficial to developing countries so no one can tell now how things would go. So it all depends on whatever is going to be submitted so I'll leave it at this. Thank you.

Erika Mann: Okay I think we can – we should probably conclude this and come to the next question. So the chartering question here was, “Should any priority or preference be given to organizations from developing economy, projects implemented in such regions and/or represented groups?”

When I looked at the comments made from Elliot after we discussed it, if I did not understand you one again Elliot you didn't say it has to be priority given to the developing countries or to projects in developing countries.

So this – then these - obviously the principal idea to have tactically two concepts. So one concept at this stage - not to define. Wait and see until then - comes up or what comes in on projects.

We are defined by the chartering question and by the mission statement or the principles the way they are defined anyhow, which kept us to some degree the spirit which (Becky) tried to capture in her sentence and we can look at this again.

Maybe Marika it would be good for you and for us to get a – to review - not now but for the preparation for the next call to review all of the comments which we have seen, and then to frame the context of this particular chartering questions maybe better and then we can come back to it again.

I wouldn't want to finalize it today and in an either/or because my feeling is we probably look at it from the same manual and we have the same doors. We just think about it in different terms how we would want to frame it but I might be wrong.

And then we have received additional comments, which go beyond this particular chartering question and super important. So if you look at core critical infrastructure issues, new development and innovation - and so I want to come back to you Elliot.

Would you want us to take the pulse and just see where we are or would you – oh I see you. You raised your hand. Please go ahead.

Elliot Noss: Yes the one thing that, you know, this might be helpful in terms of what I'm going for with this. So let me describe a couple of things I would hate to see. I would hate to see law enforcement wanting to be funded for cyber crime.

I would hate to see the GAC want to be funded for additional secretariat and apologies to all GAC members involved. I just think this is the wrong pot and, you know, and I'm not opposed potentially to some of those things coming out of the ICANN budget but not this pot.

This is a unique one-time opportunity to do some great things and, you know, in my – those in need or something like that I don't think you preclude a research project.

That research project though will be helping those in need, not creating a platform for further business development. Remember where I'm coming from here.

You know, I'm a businessman in the developed world and I think this is just a unique opportunity to do something. And the more, you know, I don't think I'm limiting us, you know, virtually in any way.

And what I am doing is I'm going to significantly hopefully – one of my hope would be that we as a group are doing is taking down some of the noise we are inevitably going to have to deal with in this ICANN community as we all know because we all live inside it.

And so Erika I just think, you know, at a very simple level we don't have to decide it now but I think there is real value in taking a pulse of the room.

Erika Mann: Okay I'm fine with this. I'm just a little bit worried of taking a pulse because I don't see us actually – the two groups that far apart. I think what you were talking about in need – it's probably the greater good that you think shall be supported, and the money should not flood all kinds of micro tiny projects which are not serving this particular purpose and goal. Alan please. I'm happy. We can take the pulse. Alan please.

Alan Greenberg: Thank you very much. Let me look at Elliot's two examples. Funding a GAC secretariat – I would tend to agree. Now that's something which is really operational funding of ICANN, and I do not believe that we should be funding operational funding of ICANN.

That doesn't mean the GAC might not have an innovative project, but it shouldn't be the operational part of supporting what – in ICANN as our core business as it were.

On the other hand if someone comes up with an interesting proposal regarding cyber crime and maybe it's a study, maybe it's a test bed, maybe it's a something, I would not be adverse to that.

Now do I want to fund law enforcement? Probably not because that essentially says funding governments and that's likely to be something that we're not going to want to do explicitly.

On the other hand there may well be things related to that that fall completely within our remit. As I've said before, you know, some of these things are going to be marvelous projects that we all support and we can't do because they're outside of our mission.

And I, you know, we are going to be constrained by that but I don't think we're just going to be – have beneficiaries of those who are in need. We're looking for projects that are not fundable other places but I don't think we want to restrict them to exactly who the beneficiary is or what the topic is right now. Thank you. And I will not say that again this time, the rest of this meeting.

Erika Mann: Okay. Let's take a quick pulse. But keep in mind in taking the pulse, at least that's my idea, it's not a concluding debate pulse. I'm pretty sure we will have to come back to this topic again and again and again. But let's take a pulse. So the two words -- I'm not repeating them again -- I think we ought to clearly let me call them the Elliot proposal and the Alan proposal. Marika, we might need to explain to us how to take the pulse. Marika, are you still with us?

Marika Konings: Yes this is Marika. I'm not really sure what you're asking, but I will do is update the template with some...

Erika Mann: We can do it electronically. We can do it electronically and I'm checking the options in the moment on my side and I can't see it. So either it needs to be added or we - I'm just not sure...

Marika Konings: Just a reminder to everyone, we're still at a preliminary phase of evaluating these options. We don't need to settle on an answer in this call. We have set time aside in our approach that if there are questions that do need to be addressed before we move in the next stage that we further deliberate on those but it may make sense to first add there the different comments that were made before going down that route, if I may make that suggestion.

Erika Mann: I would just do a quick one because Elliot would love to do it and there's no reason not to do it, just to get an understanding between us, and then you're absolutely right, we will continue to work on document. And as I said, we will have to come back to this anyhow again and again. This is not a debate which will be taken by taking the pulse now, as Elliot is calling it.

So how do we do it if we have two options and we can agree, disagree or step away? These are three options we have. So we probably have to take either Alan's version first and then we see automatically, or we take Elliot's version first and then we see how many are opposing to it. So let's do it like this. Are you all with me still? So let's do. Let's try if it is working.

So let's take the Elliot version first, which means we define the framework for those in need more clearer, and if you agree, click agree, if you disagree, click disagree, and if you step away, you step away. Let's see if it working. And I have more comments coming up, more questions, but give us a second until we see the outcome. Marika, is it you who is seeing it? It is (Joka) who is seeing the numbers?

Marika Konings: This is Marika. I think everyone should see on the left-hand side the green ticks and the red ticks. I know that there are currently one, two, three...

Erika Mann: Ah, it's...

((Crosstalk))

Erika Mann: I see it on my end. I see it now. Yes.

Marika Konings: Erika, this is Marika. I think there may be some confusion over what the proposals exactly entail. So I'm wondering if it makes sense to...

Erika Mann: Can one of you see this?

Marika Konings: I'm wondering if it makes sense to take it offline and have each - have Alan and Elliot maybe write up what they're proposing. You could even do it in the form of a SurveyMonkey or doodle poll on the next, just put it up on the screen, because I'm not sure if everyone's exactly clear and even whether the two of the completely exclusionary because it seems that if we're picking one over the other means that they're not in alignment. So.

Erika Mann: Okay. You are worried that we might not a get clear outcome because I'm not raising maybe the question clear enough. But just it's possible. So Marika's idea is we do a - we don't do it right now but the two of you, Alan and Elliot, you frame the questions, send it to us and then we do an online survey later. That's fine with you all? I see many questions popping up right now, so I don't know if you want to comment on the procedure or you want to comment on the content. Let me go ahead. (Kristy) please.

(Kristy): Erika, thank you. I was just going to say, and I think you came to the conclusion that I was coming to, which is I could not understand the purpose of taking the pulse because the two issues needed to be clearly stated and clearly we were not going to come to a resolution on this call. So I was going to suggest not taking the pulse and doing this in a different manner. And I think this deserves more discussion, a little bit more in-depth, you know, conversations, and it looks like that's the way we're headed. But I could not understand the purpose of taking the pulse during this call. That's all I wanted to say. Thank you.

Erika Mann: Thank you, (Kristy). It was just to - Elliot would have wanted to have such kind of first pulse taking and I was fine it. Sometimes it just helps to clarify to see where everybody is in the pulse. It wasn't to conclude the debate and the discussion, just the first understanding. Alan, are you concerned about the process as well or do you want to make a substantial comment?

Alan Greenberg: I do want to make a comment. I supported you in that I think taking the pulse is a really good thing in some of these meetings in that sometimes it can curtail roundabout discussions. However, one of the things I've learned is if you're going to ask a question, it's got to be in writing in the chat or somewhere because when you just speak a question people don't quite catch it.

And so the question has to be somewhere you can read it. We also have people who don't speak English as a first language and so if we're going to do a pulse taking, it's got to be expressed in writing either in the chat or in the note box or something. Otherwise, you end up with people answering what they think is the question, which is often the opposite of the question. So just a procedural process if and when we do this again.

Erika Mann: Okay. You're absolutely right. And apologies to everybody. I think you're totally right. So let's do the following, as Marika recommended because I don't want to open the whole process again and start rewriting now. I would love us to continue and have (unintelligible) through the next chartering question.

So what I would love to ask you, Alan and Elliot, please send us by e-mail that you explain the questions the way you would like them to be seen voted on. And then what we will do, we will have (unintelligible). Marika, you recommended one that you'd like to work on an online tool. You will send it them back to us and everybody then can comment on it or just simply vote.

I would love to see a comment, the option included that people can comment on it as well even they just have the option to vote. So please just select a version or whatever you like to work with, Marika, where people can comment on it as well. So that's it. Marika, I'd love to conclude this here now and I'd like to go back to you Marika and let us take the next chartering question please.

Marika Konings: Yes so this Marika. I'll quickly upload -- sorry -- the next template and as noted, this is one that we briefly touched upon during our earlier conversation. So this is a charter question 8. And charter question 8 reads: "What aspects should be considered to determine an appropriate level of overhead that supports the principles outlined in this charter?"

So some of the responses we got here, and you'll notice I captured as well the input that we received from the ICANN board on this topic, but the first comment I noted it's small as possible and not based on a percentage commission of the grant dispersed but on the real work to be performed by the agency. If the ICANN internal option taken then in my opinion, a few additional staff, three to five fixed cost will be needed.

Another person noted, clearly some benchmark would be useful. And he also stated, "Almost no agency funds core expenses anymore." Percentage is a common way to charge for administration's indirect costs. If the program was to operate without a percentage as a base but for where Donna suggested above, then a definition of what is allowed to include need to be done. As the costs vary country by country and every organization operates under different logistics, it's difficult to be competitive in a bit if a percentage is not provided. And then specific examples are provided.

And you'll note here that the - for some the focus has been on the overall operation of the mechanism and the overhead but this response specifically goes to overhead as part of projects that may be submitted. So again, there may be a dual nature to this question.

Then the next respondent notes that ideally there should be no new overhead incurred other than just the appropriate overhead fee, 5 to 10%, for the nonprofit work in the sub-granting organizations. And this is the board comment that as received. Once this system is set up for distribution, the cost of administering the distribution of funds will naturally come out of the auction proceeds. As a point of departure, the nominal goal for the overhead is no more than 5%.

And then there's a note here in the sub-questions, you know, responses appear to deal with both the overhead for the framework and mechanism as well as project applications. And the question of course is, you know, are both expected to be addressed by the CCWG as part of its deliberations. And I know that then, you know, potential external expertise required here is legal and fiduciary requirements as they may relate to this question.

And I may note as well that this may also be linked to the audit requirement and take this opportunity to note that they'll actually get a briefing on that topic from Xavier Calvez on the 15th of June, so he may also touch upon this topic as part of that presentation.

Erika Mann: Alan, please?

Alan Greenberg: Sorry, did you call upon me?

Erika Mann: Alan?

Alan Greenberg: It's Alan.

Erika Mann: Yes please.

Alan Greenberg: Okay sorry. My name got cut out. All I heard was the please. Just a caution that we - in the - both the question and the answers, we use the term overhead and that has different meanings in different contexts. So I think we

need to be a little bit careful. I think what we're talking about is the overhead in administering the program.

We may also be talking about the overhead that whoever gets the grant has in administering their program. But for instance, there's a reference there to universities charging 40%. There's companies that charge 100% overhead, and what they're talking about is the amount that they're charging over and above the salary level that the person - or the hourly rate the person is getting, which will cover, you know, benefits and office space and, you know, vacations and things like.

And I don't think we're differentiating things at that level. So I think we need to be a little bit careful about what it is we're talking about and not use terms that are multiply defined in different venues. Thank you.

Xavier Calvez: Erika, if you could put me in the queue. This is Xavier. Thank you.

Erika Mann: Yes go ahead, please. There's nobody else before you.

Xavier Calvez: Yes thank you, Erika. And thank you very much, Alan, for raising that point. This is exactly one of the few topics that I will try to speak about on the 15th to define what we mean by overhead and what we don't mean by overhead as well as what we mean by audit and what audit is now.

So your comment cues in very well what we will try to cover to exactly address your point that overhead means different things in different countries or in different languages as well even in the same language or in the same country, what do we put into the scope of expenses and what is overhead versus operation costs and so on. So we will try to clarify that during the next meeting on the 15th. Thank you.

Erika Mann: Xavier, we have in the - with (Ching) and Marika we had a discussion about the preparation for the - for this call. And during this call we discussed as well

your presentation. So will you be able to clarify these points either before or after the call which we will have with you in written so that we can review it? Xavier, do you hear me? Xavier, are you there? Xavier?

Xavier Calvez: Sorry, I was on mute. Yes, Erika, we can - I can work with Marika to gather the comments that have made and offer suggested thoughts or ideas or answers to those comments in advance of the call. I just want to make sure that we can work internally with the group to produce those drafts in time, but I will work with Marika to try to do that.

Erika Mann: And, Xavier, I think for this group it would be fine even if you would - could do it afterwards. If you're not able to do it beforehand, but if you could do it afterwards it would help us immensely, particularly the point Alan raised just a few minutes ago. And I think it's true, when you're funding environments how these costs are defined, either operational cost or all kinds of other cost, overhead, and there's so many other costs which relate more to the administration of the project. It would be good to get an understanding how you will see this and how the - probably even the auditing - the auditors will see this. So we would appreciate it if you could - if you can't do it before, if you can do it after the call.

Xavier Calvez: And I definitely intend it, Erika, thank you, I actually intend to actually do it during the call to provide a description of the costs, at least for the clarity of the vocabulary. And then we can answer further comments or thoughts that would be generated during the call and after that. So we can do either of that.

Erika Mann: Okay wonderful. Perfect. Thank you so much. Anybody else who would love to (unintelligible) a comment on this topic? No? Okay. Marika, do we have today 90 minutes?

Marika Konings: This is Marika. Yes, correct. We have three minutes left.

Erika Mann: So we have three minutes left and I would recommend, because we will come back to this point when we have the presentation with Xavier, I would recommend we conclude here and come to the I think the last item on the agenda, which I wanted us to have a quick look because we will need all your input with just the identification of external experts. So, Marika, if you could just show us - you showed me the list which we already do have.

So what we would love you to review this list and then please be so kind if you have the contact details of the person you either already recommended or you would like to recommend to send the names and the contact details so that we can start contacting them and preparing the calls with the experts.

Marika, is it possible for - oh, you put this in already. So in the chat room, Marika just posted the links to the external expert to the list which we already do have. So the request is please review this list and be so kind to add names and contact details if you do have one. Otherwise, feel free to add anybody else you would like recommend.

If you are able to make a quick comment why you recommend a person or a group or an association, this would be particularly helpful for us just to get us in the right order when we time the calls with these experts.

Any comment on this one? No, that's not the case? Fine. Then the next meeting we have scheduled on June 8 for 14:00 UTC again. Thank you so much. All have a great day and talk to you soon. Thanks a million.

Woman: Bye-bye.

Woman: Today's meeting is adjourned. Operator, can you just please disconnect all lines. And everyone have a great day.

END