

**ICANN
Transcription ICANN Panama City
GNSO new gTLD Auction Proceeds Cross-Community Working Group
Wednesday, 27 June 2018 at 15:15 EST**

Note: Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record.

The recordings and transcriptions of the calls are posted on the GNSO Master Calendar page
<http://gns0.icann.org/en/group-activities/calendar>

Woman: Thank you, everyone. The recording has now started. You may begin.

Erika Mann: Okay. Thank you so much. Tony, you had a question ahead off - before we start. Ahead of point one, please...

Anthony Harris: I don't know if you're going for updates of SOI or something like that, just to communicate a status change, should I do that now or wait for you to...

Erika Mann: We will do this, just give us a second, yes.

Anthony Harris: Sure. No problem.

Erika Mann: Yes, we will do it in a second. So, welcome everybody. I'm glad to see so many joining our meeting today and we are looking forward, and hope that you will be able to continue to join this group. Do we have any update on - concerning conflict of interest, Tony, please.

Anthony Harris: Yes. It's not a conflict of interest. I'm just - I just wanted to inform you that to shift the workload I will be stepping down as a member. I'll continue as a participant to contribute and Marilyn Cade from the CSG will be taking my place as a member. There will be a notification on that after this. Thank you.

Erika Mann: Thank you.

Anthony Harris: I'm also will be helping.

Erika Mann: Wonderful, good to hear. Thank you so much, Tony, and welcome Marilyn as an official member. What I would recommend today, because we have a quite large group, if you just do a quick - do a round and introduce ourselves. I know it takes always a little bit of time, but if you just, fast and quick, and pass onto the next person sitting next to you, I think we have a better understanding who is in the room.

Can I start, maybe, can I start with - yes.

Man: (Unintelligible), Board member.

Malcolm Hutty: Malcolm Hutty, (Links).

Sally Costerton: Sally Costerton, ICANN Org.

Woman: (Unintelligible), ICANN Org.

(John Everett): (John Everett), Registry.

Jonne Soininen: Jonne Soininen, ICANN Board.

Man: (Unintelligible), ICANN Org.

Samantha Eisner: Samantha Eisner, ICANN Org.

Becky Burr: Becky Burr, ICANN Board.

(Martin Buttleton): (Martin Buttleton), ICANN Board.

Elliot Noss: Elliot Noss, Registrars.

(Sean Lapriz): (Sean Lapriz), ALAC.

Eduardo Díaz: Eduardo Díaz, NARALO.

Ching Chiao: Ching Chiao, Co-Chair to this working group appointed by ccNSO.

Erika Mann: Erika Mann, Co-Chair.

Marika Konings: Marika Konings, Staff Support for this group.

Julie Hedlund: Julie Hedlund, Staff Support.

Ron da Silva: Ron da Silva, ICANN Board.

Anthony Harris: Tony Harris, Commercial Stakeholder Group.

Richard Merdinger: Richard Merdinger, Registrars.

Marilyn Cade: Marilyn Cade, Stakeholders - Commercial Stakeholder Group.

Edmon Chung: Edmon Chung, Asia.

Alan Greenberg: Alan Greenberg, ALAC.

Man: (Unintelligible), ALAC.

Andrea Glandon: Andrea Glandon, Secretary of Support.

(Lauren Hanada): (Lauren Hanada), ALAC.

Cherine Chalaby: Cherine Chalaby, ICANN Board.

Erika Mann: How are you doing? This is the - everybody who's sitting in the back, which is a little bit difficult...

Woman: Maybe (unintelligible) members and participants to introduce...

Erika Mann: Yes, that's what I was wondering. At least the members and participant, if they could introduce themselves quickly.

Woman: (Unintelligible)...

Erika Mann: Elliot, you don't want to say word? Are you starting today? Yes. Oh, you did, I didn't hear you. Okay.

Marilyn Cade: Maybe also we'll be just passing out a sign-up sheet for other people who...

Erika Mann: Yes, nice idea. Yes. So, we will do this - we will pass on the - just a paper so that somebody could just sign on. It would be - it's a good idea, Marilyn, thank you so much.

Okay. Let's move on and let's come to the status update. Can we just see the slides, please? I haven't - okay, so this is just a quick reminder and we are doing this regularly at least when we have our meetings so that we remind ourselves what the purpose is actually of this particular group. So, be reminded that an auction is - the mechanism and of last resort of resolving contentions between two or more applicants for a string through the new gTLD program.

And, as you know, the - only one of the registry can operate a top-level domain. Let's move on. And, so we have in our group 26 members, 49 participant, and some observers. You can see the numbers there. I don't have to repeat them all. Please, the next slide.

So, we had looked into the legal and (fiscal) constraints and we have on this slide and on the follow up slide, the key points. They are, of course, more to take into consideration, but these are the key points. So, the number one is it has to be consistent with ICANN mission as set out in the bylaws.

Now, we do have some modification here, but I'm not going into the details here. And, if somebody from the Board, (Bart) or Becky wants to reflect upon this, you're more than welcome to talk about what you had discussed already in - not in this Board meeting, but in the previous Board meeting concerning this point.

We need to take the private benefit concern of ICANN as an organization into consideration, so to be able not to lose the tax benefit. Primarily, it can't be used for political purposes, and political activities, and it shall not be used for lobbying activities. Can I have the next slide, please? Why can't I move it? Okay.

We have debated the conflict of interest considerations many time and we will have to come back to this point again and again, because the conflict of interest declaration are not just impacting the group, this group, and members, and participants who are participating in this group, but there will be further consideration to make once the mechanism, and the organization is established, because depending on the structure, the conflict of interest declaration will probably have to be redefined.

We have looked into procedural concerns and we will - some of them, we will talk about a little bit later, and we have discussed in depth the financial and fiduciary concerns. But, similar to the conflict of interest declaration, we always have to remind ourselves depending on the structure we choose, depending on the processes involved.

This topic will shift as well, because we have no clarity yet how the oversight will be set up, and what kind of fiduciary, and financial constrain will actually

have to be put in place. So, that's a topic we have to come back to again and again. Next one, please.

So, Marika, why don't you take over and talk about these processes?

Marika Konings: Sure. Thank you very much, Erika. So, this is Marika. So, this gives a high-level overview of the different steps that the CCWG has gone through and still needs to go through before this process gets to the end of the line. So, we started early on with a drafting team that, you know, put this all together in a charter for the group which then resulted in the group being created, developing its working methods, and working now towards an initial report.

The next step is basically for the initial report to go out for public comments, so that the broader community can provide input on the findings and hopefully recommend - propose recommendations of the CCWG. Following that, the group will need to review the input received and update the report as needed. And once that has happened, we will need to go to the different chartering organizations for their approval.

Once that has happened, it will go to the ICANN Board and they will need to consider the recommendations and making sure, as Erika has already alluded to, that all of the fiduciary responsibilities and requirements are met. So, if all of those hurdles are passed, then we would all - would move on to the implementation stage where the mechanism that is chosen and recommended will be implemented and further rolled out.

Erika Mann: Just give me a second to point here, again, for those who are not familiar with the way we are working, so when you look in the second line, the three topics which you see there in the center is the ICANN Board review. This is the final process where the Board will have to give a final approval, but we always ensure that we have very good communication with the Board so we do have Becky and (Bart) with us as the official...

Man: (Martin).

Erika Mann: (Martin), I'm sorry, as the official - yes, I know, I've done this before to you, I know. So, both of them are communicating whenever there is something substantial which needs to be discussed and needs to be decided in the Board, you do have your communication channels with the full Board and then you come back either in reporting back to us or sometimes in sending a letter which is very, very helpful, because we hope we can avoid a clash to the end where we sent you the old packet, and then you start screaming and say, "No, that's nothing. Nothing of this we can accept."

So, that's just for those who are not working with us constantly and who might not familiar with our working environment. And, you will report today as well, we come to it a bit later about the most recent discussions which you have. Thank you so much for this. Back to you, Marika.

Marika Konings: Thank you, Erika. This is Marika, again. So, this gives you a high-level overview of the work plan that the CCWG developed early on. And, as you can see we're in the last phase of this stage of work, so the group started off by initial run-through of the charter questions to get initial understanding of the questions, and already gather as well some initial input on those questions.

They done a kind of a bit of a triage determining which questions would need to be answered or at least a preliminary response be provided to - before further work could be done, because those were kind of overarching questions that needed to be answered, and there were some preliminary agreements reached on those. Next step was to compile a list of possible mechanisms that could be considered by the CCWG, you know, with the understanding that there's, of course, a certain number of mechanisms that could be considered, also considering the legal fiduciary requirements, so there's a limited number of options that seem to fit the requirements that the group is looking at.

The phase also included consultation with a number of external experts that were identified. The group compiled a set of questions that were deemed helpful to get further input on as the group was considering these mechanisms. The fourth phase consisted of looking at these mechanisms and as part of that phase, the group conducted a - I think we call the straw poll.

But, basically, going through the criteria that were identified as a result of an earlier phase that the group believed needed to be met or measured, the mechanisms measured against, but the straw poll actually showed that all of the mechanisms were very close when it came to evaluating those criteria, and on the basis of that, the group didn't believe, it was timely yet to eliminate any of those mechanisms from further consideration.

So, it basically means we're now in phase five of our work with all of the mechanisms that were identified, four different ones, that we'll show you shortly for which the group now is in the process of responding to the remaining charter questions from the perspective of each of those mechanisms. And, once all of that information has been compiled, and also review back, you know, previous agreements, all of that can then be combined into, hopefully, an initial report.

I should mention as well that the hope is as well that by going through all of the charter questions and all of the information that we have obtained from external experts, it will be possible to run another poll to see, you know, once you've gone through the stage of mapping out some of those mechanisms, and again looking at the different charter questions, whether there is a clearer preference for one or two or three of the mechanisms identified, so that it would be possible to identify in the initial report towards which mechanism the group is leaning.

Of course, in the case that, you know, based on these further conversations one mechanism is really did not desired as - or not determined as feasible or desirable. The group, of course, has an option as well to clearly state that in its report. So, as mentioned, there are four different structures that were identified as a result of, I think, a brainstorming exercise that we did a couple of ICANN meetings before. So, those are the ones that the group is currently considering and working on.

So, the first one is that a new ICANN precedes allocation department would be created as part of ICANN org. The number two is a new ICANN precedes allocation department would be created, but this department would work together in collaboration with an existing charitable organization. Number three is a new structure would be created, for example, an ICANN foundation.

And, the fourth mechanism that the group is looking at that - an established entity, for example, an existing foundation or fund would be used with ICANN still providing oversight of the processes to ensure the mission, and fiduciary duties are met.

I won't go into this, but this gives you an idea of the charter questions that the group has been tasked to look at. This actually spanned to two pages, so as you can imagine, there's quite a bit of thought and consideration that needs to go into these or - and has already gone into these, and as I've said, that's, I think, for the moment that the bulk of the work that is remaining for the group to look at these charter questions, and respond from the perspective of the four mechanisms to be able to make a determination at the end of the process whether, you know, one or more closely meet the criteria that the group identified as being important in this context.

And, so for those interested in participating or learning more about this group, the group has a regular newsletter that is distributed and posted on its wiki page. You'll find a link here on the space - on this page. The group is open to anyone interested. You know, as you see, we are already quite far in the

deliberation, so if you decide to join, you do have a responsibility to catch up on what has happened so far.

As I've said, you know, there are a number of summary documents available, because I understand that it may be challenging to listen to all of our recordings and read all of our transcript. But, you can also join as an observer, which means you receive the emails and can follow the conversations in that way. And, of course, as soon as the report is published for public comment, you also have the ability to provide input by submitting your input in that manner.

I think that's actually the last slide. I don't know why this is showing a bit strangely, but...

Erika Mann: Yes, I have the same strange notification here. It seems to be something is not working with Adobe. Yes.

Marika Konings: Yes.

Erika Mann: I don't know what it is. I hope you are all fine, and safe, and can see the documents we have sent to you, and you don't experienced similar issues. Are there any questions related to this update? Yes, please.

Man: I just want to know if there is a timeline to this.

Erika Mann: So, our hope is that we can issue the draft report three weeks ahead of Barcelona and then we will have another time to talk about it in Barcelona and then we will have to do - finalize the report, and issue it for opinion, and, of course, which will be probably after Barcelona. I can't see that we will be able to do it actually in Barcelona. There's never enough time. You have a comment, Marilyn? Please.

Marilyn Cade: Marilyn Cade. I'm sorry, before I make my comment, would you just clarify again when you say you can't see that we would have enough time to do it in Barcelona, you meant to...

Erika Mann: I meant that we will be able - from the time of issuing the draft report three weeks ahead of Barcelona, and then finalizing the draft report. I can't see we will be able to do it exactly. So, it will be - I don't know how many weeks after Barcelona, I don't know if you can guess.

Marika Konings: Yes, this is Marika. So, if we're able to meet that timeline and publishing the report three weeks ahead, there is a requirement to at least have a public comment period of 40 days, so we would at least need to wait for that period to complete before review of comments could start, and then, of course, it all depends on the number of comments that are received in the substance for the timeframe to get to a final report.

Marilyn Cade: Thanks. It's Marilyn. I'll follow up with my further elaboration on my question. So, I think it would be really helpful for us to see this laid out, right, as a - right? But the 40-day period during that - am I assuming that we are in agreement since we'll be in the public comment process that we would also meet face-to-face, have the open discussion which - and the reason I raise that question is that sometimes people don't know that comments that you make at the microphone are not always - they're not treated in the same way that written comments are, and I'm - we're not picking on - so, I think it's important when we explain this that we also are very clear with people that besides assuming you can make comments at the microphone that you must also submit the written comments, so it would be - that's the main point that I have.

But, the - I had another question, another comment I wanted to make very quickly. I posted my views about - and concerns, and observations, and I will say I've done a lot of work on this, but I am open to questions. I'm not suggesting that you need to take time up, but I just want to be really clear

when I said I was open to questions about why I hold those views that I'm happy to take them in writing or here verbally. But it is my point of view, we will be discussing it in the CSG.

Erika Mann: Yes, absolutely. Certainly, Marilyn and for those who are not familiar, Marilyn sent an email today concerning few topics and I think you want to distribute it to those who are interested maybe as well.

Man: It's on the list.

Woman: Yes.

Erika Mann: It's on the list?

Man: It's on the list.

Erika Mann: Okay, got you. I thought it was just sent to a few. Okay, perfect. Okay, any other comment on this point? No? Okay. Then, what I would recommend before we move to the next item which would be the review of the mechanism description developed by (Sara Beck), and I will say a few words before we come to this point. If we could get - and I'm looking to Becky and (Martin), we couldn't get a quick update from the discussion you had on the Board. Is this possible?

(Martin Buttleton): Yes, it's possible.

Erika Mann: Thank you so much.

(Martin Buttleton): First of all, obviously, we recognize also the two mechanisms and we appreciate the reach out by the chairs for a substantial comments which we answered by letter, and that helps for communication, particular for those who are not in the room. Other than that, in preparation of today we did have a substantial discussion in the Board as - it's important for us as liaisons to

make sure that it's not only our opinion, but it's really what the Board is thinking of.

There was not a specific ask for that at this moment. What we did notice in the four models is that the four models indeed were not really preferred, neither of them, the ranges were so close that there's very little to say about it. So, we didn't really talk about the models themselves. A thought that came up is that maybe those models were not really preferred, because in that - what the differences are was not clear to everybody, so if you get clear on that, that may help.

What we did do is think of - so, what do we think is important for this to work, eventually, whatever the model is that fits best to that? And, the following thoughts we'd like to share with you on that, first of all, I think it's important to think in terms of trenches, that - trench per year with a period per year in which you have a kind of goal for proposals that shouldn't close. That's then evaluated, makes sense.

The values have been expressed earlier, and shared earlier, and indeed that the grants must be aligned with the mission is something we all recognize how that exactly works out, that's something that we'll find out better. For the evaluation briefing, there's two separate functions in a way, one is to administer function, it's managing the reception of the proposals, see whether they fulfill the criteria in terms of are they well-filled in, is all of the information there that you need, and some others that you can describe pretty well, which has nothing to do about judgment, about the quality, but morally about the completeness. And, that stage is something that could be done maybe within ICANN or outside ICANN. I think that is particularly important is cost effective, the most cost-effective solution, otherwise it should be neutral.

And, then, for the content evaluation, I think, it's just good practice. We think it's a good practice to have an independent panel. An independent panel that does its work in a proper way and obviously there needs to be some

guarantees that they do it in a proper way, like what this working group is used to do is check for conflicts of interests, make sure that the process is transparent, et cetera.

Again, to be very well described, what the requirements are, but once they're in the room with the proposals, it's up to them to deal with - and then, what we're still thinking of and not clear to us is that in the end of the day if there is such a list of proposals to be funded, better we as a Board should say, "Well, okay, due process had been forwarded, et cetera, and we need to sign it off whether that's inherent in the process."

So, that's a discussion we are still having within the Board ourselves and we progress on that. So, these are, I think, the main conclusions of our internal debate so far. I hope it's useful to the process and Becky, anything to add to that?

Becky Burr: Yes. I want to be clear that there is no appetite on the Board to pass on applications itself. The decision with respect - I think the Board is clear and agreed that the decisions with respect to the - who, you know, it is getting, who a successful applicant would be should be made by an independent panel not - and not second-guessed by the Board in any way.

We are continuing to have internal discussions about what our fiduciary obligations are with respect to ensuring the process, but the independent panel is supposed to follow or carried out that it's, you know, that the selection of the independent panel is properly carried out, so we're fulfilling our fiduciary obligations. And, I think one important consideration in this and it really is an important issue related to the crafting of the mechanism is we obviously want to make sure that the auction proceeds are used for the charitable purposes that they're intended to be used for consistent with ICANN's mission and not for these debates and disputes about who should have gotten a grant and who didn't and that kind of thing.

So, those are the issues we're still talking through, but I think we did review the principles that we had previously provided in our letter, and I think we're - we feel comfortable that those principles continue to be the principles that we think should guide the process.

Erika Mann: Thank you so much both. I have two, Elliott and then followed by Jonathan. Elliot, please.

Elliot Noss: Thank you. Elliot Noss. A brief sort of clarification question first. Marilyn, did you want feedback that was sort of - feedback on your feedback on your email? You - did you want that here? Was that something you wanted to discuss here or sort of separately or...

Erika Mann: I think the best - the end of the next chapter is probably better. It's more appropriate.

Elliot Noss: Okay. The one thing, you know, it did connect to Marilyn's email for me in some sense that I think, you know, (Martin), what you said it didn't feel correct through my lens and that is that - you know, maybe there wasn't much in terms of the lack of variation around the voting, and the four mechanisms you attributed to - you know, maybe they weren't that different.

Through my lens, which is just the dialogues, and the mailing list, and the chat, I feel like, you know, we have sort of a pretty split group on those points. You know, I think that, you know, there's groups of us that hold different views about that and I think they're very, you know, they're what would I call them fair, honest, open, you know, different viewpoints. And so I wouldn't, you know, want you to think you didn't, you know, that we didn't have a wide variety of options. You know, I think we're just, you know, we're kind of, you know, we're of different minds on those.

(Martin Buttleton): Yes, just overtime be clear, I think the most important thing was that the votes were so clear that as a Board we didn't feel like advising for one or the other.

Elliot Noss: Yes, I think that was my read of it too, yes. Thank you.

Erika Mann: Jonathan, please.

Jonathan Robinson: Hi. Jonathan Robinson for the record. A couple of things, I mean, I - like the previous two speakers also was concerned about, you know, the sort of trying to split their hairs between the different options, though the votes didn't seem that strong, but putting that aside, I mean, I quite like that - what (Martin) articulated there about that thinking, where there's essentially what - I've written down, is it an administrative process, administrative completeness check, if you like, followed by some form of qualitative analysis of the, you know, quality of the proposals? Do they meet? And the third party independent evaluation, I like that idea. And then, as Becky said, a possibility of a sort of fiduciary check steps, so I've got three in mind as I hear that.

The one thing that business, this kind of set up, everything I think teaches me is that at some point there should be a review, and I'm so hesitant to mention that, because we reviewed to death in this place as you all know. But, nevertheless something that needs to be a step in that says, "Okay, we've done this for 12 months. You know, how do we feel about the outcome? Is it consistent with what we expected?"

Because you design any process in any organization, you run it for a while, and there should be an iterative check on whether it's actually meeting expectations. So, you got the three steps, I would say the fourth is some sort of review, and I don't mean to overkill it, because we don't want (death) by review, but we do want to check, you know, there needs to be a sanity check step that says, "Is this going as we expected it to?"

Becky Burr: And that was very much our thinking when we recommended that the funds be allocated in tranches, so that you could, you know, have an experience of a round, an application round, a grant round, and then a pause to say, "Is

there a mid-course correction or tweak that needs to be made?" Now, having said all of these stuff, you know, we absolutely have to fulfill our fiduciary obligations. But, as you point out, there is a huge risk that you add a lot of steps, and a lot of costs, and a lot of dispute points giving rise to other things that cost a lot of money. So, I think the balance there is something that needs to be thought through extremely carefully.

Erika Mann: Marilyn, please.

Marilyn Cade: This is Marilyn Cade. And I did reference the need for a review in my comments, but I'm going to try to distinguish for all of us the difference between status reports, and review. Because, even you conduct a grant making activity, whichever of the models are chosen, there will have to be significantly detailed reports including the kinds of reports which will give us feedback on performance, accountability, fraud, blah, blah, blah.

So, that will happen anyway and it has to happen on an annual basis. The - but a status report should also be made each year on the amount of funding that is being dispersed. The number of grants, et cetera, those are status reports. So, you have the legal requirement for the more detailed report, which, of course, would be available as well, and of course has to be audited, blah, blah, blah, as IRS implications.

But, the status report would be something that's simpler, but a review to me, I think, means reviewing whether the overall mechanism approach we're taking is the right approach at that stage in the overall dispensing of the funds. And, so, maybe we should just think about what our language is, the words are as we go through this.

Erika Mann: Yes, I agree. I put myself on the list just for very few comments. So, there's one topic which is not on the - which you haven't seen on the list, but we talked about it and maybe we want to put it on our list as well, so that we can show it in the future. We will have to do what we call a gap analysis. These

are key points which are super important and which come up doing discussions again and again, and they are not yet on our list, and neither on - either captured by the chartering questions nor other captured by any other debates but is super relevant.

So, I believe the point which we just debated, the question (show) that the review as one of these topics. Now, I know because I supported one quite big as an evaluator fund and we call this in the professional fund environment, it's more called evaluation. So, you need to evaluate and the cycles are different, it can be done after a year or after two years, very short, very hard evaluation; is it working, is money going to the right people, are the expectations really met, is the scope met, et cetera, et cetera.

But, I would not want to see this in the typical environment done like we do reviews. I think this might really not work for such an environment, so we might have to create something fresh and something new. Marika, please. I just try to find my page again.

Marika Konings: Yes. Thanks, Erika. This is Marika. So, it's maybe jumping a little bit ahead, but if - when we get to the item on looking at the outstanding charter questions, there is actually a particular one that talks about should a review mechanism be put in place, and one of the things we identified as well in the Google Doc we've been working on, you know, what should that mechanism look like.

So, I think, there's a perfect place to have that conversation and get the thoughts of the group of what that review mechanism needs to look like. And, again it may differ depending on which mechanism you look at, you know, if it would all be handled by ICANN in (Option I), you may need a different type of mechanism for review than if it would be completely outsourced to an external organization. So, I think that's where we will be going after the next agenda item.

Erika Mann: Perfect. Thank you. I'll give it to. You thank for reminding me. I wasn't aware that we included this already. Please, (Martin).

(Martin Buttleton): My very last remark, the amount of time we spent now on expressing this need for the review should not be compared to how we spent the budget. It's very important to do it right, but let's not make it a review funding. It's really about making best use of the funds and in that take this into account.

Erika Mann: Yes, one more. Jonathan, please.

Jonathan Robinson: Thanks, Erika. Jonathan Robinson for the record. Just one other thought I have which sort of ties into these various thing is thinking about maybe doing something in a natural cycle. So, you know, maybe perhaps doing it on an annual basis, opening up a window for application, and then, you know, clearly that wouldn't happen in the first year, but in subsequent years there could be a period, say, for example, it was a two-month window for application, there could be then a two-month window for review of the past years to whatever targets or some kind of mechanism that was in place there.

And, the advantage to that, of course, would it - would be it would build a natural cycle without building some overarching review process in, and also, you know, the panel then wouldn't have to sit for a whole year, it could be something that was brought together periodically perhaps reducing costs, and making it - the whole thing a little more efficient like that. Thanks.

Ching Chiao: This is Ching, Jonathan, I would like to - just maybe - just - if you can help clarify what you just described, are you maybe suggesting or hinting that this review cycle as part of the ICANN review cycle and are you suggesting this particular, I mean, approach in favor of choosing a potential like the mechanism that we are going to discuss the mechanism one that a special - a new department of ICANN that could be like easier for everybody to have a review? Are you actually linking this two now or you're just...

Jonathan Robinson: I'm not 100% sure I understand the question. But, I could rearticulate what I was suggesting if it made it clearer.

Ching Chiao: Let me take this offline with you maybe...

Erika Mann: Yes, and maybe the two of you and everybody who is interested in the topic, we come to this point a little bit later. Please ensure you bring your comments and include it in the document, which we have sent around. It would be super helpful to have this written, new ideas.

Man: Okay.

Erika Mann: We take note, of course, but it would be super helpful to have this, you know, on paper as well, if you would be so kind. Marilyn.

(Chris): Thanks, Erika.

Erika Mann: Oh, I'm sorry. I forgot you, (Chris) - I can - I'll take Marilyn and then I'll take you.

(Chris): I said to Marilyn I will be coming behind her so to speak.

Erika Mann: Thank you.

Marilyn Cade: Thank you.

Erika Mann: Thank you so much.

Marilyn Cade: I'd be very quick. I believe this level, you know, I was speaking, I believe this level of detail belongs in the implementation phase, and while people may be interested in whiteboarding their ideas and document them so it could be carried forward into the implementation phase, I think it's really important that we not bog ourselves down with debating this, particularly, because there

may be more expertise needed and experience in dealing with some of this, but maybe we could agree to whiteboard it, so it can go forward.

Erika Mann: Yes, Jonathan, was it you? No, (Chris). No, I talk to you about...

(Chris): That's okay, Erika. Not a problem. Actually, what I wanted to do is speak up on what Jonathan said because I want to make sure I understood it correctly, because if I did then it's - then I think I agree, which is that you have a window in which you open for applications for grants.

If you go with a - with an expert panel, independent, whatever, it doesn't much matter, you only have to impanel them to deal with that window, and then you close that window. They make that decision and you move on. And, you could make that cycle run any time of the year that was best suited from a timing point of view to work and that's entirely separate from a review mechanism, which I think is a simple straightforward ICANN review mechanism we're talking about earlier, which got nothing to do with this, and the review is you look at the process after a year or two and say, "Is it properly?" It's not quite the same thing. Is that what you mean, Jonathan?

Jonathan Robinson: Yes, almost. But, I think the one thing that I was trying to avoid with the review is what - we tend to over Ag reviews. In fact, there's big - whereas - what I was saying in the natural cadence of this process and in fact this process could apply - it's not necessarily one particular mechanism, but the Board made some - through (Martin) made some good suggestions I think in terms of what I call this administrative, qualitative, and then fiduciary components that take place.

And, agreed, (Chris), there's then - you know for argument's sake a two-month evaluation period independent of the process. But then, my suggestion is that there's a rather light or smaller review that happens each year as part of the natural cadence of the whole thing rather than some overarching review of auction mechanisms. We simply check the thing -

which is what you would do in most kind of regular business processes or something else.

(Chris): I agree.

Jonathan Robinson: Thanks.

Erika Mann: Yes, I agree. Let's conclude the discussion. Be so kind, put this on a paper, your ideas and I agree with Marilyn, the details will have to be done in the next phase, but it's at least important to have an idea and to be clear that we would like this, we don't like to have it similar to a traditional review, ICANN review. This we definitely should put down on paper.

So, the next point is point four, which is the review of the mechanism and we just debated a description developed by (Sarah Beck). Now, (Sarah Beck), for - she is a contractor and advisor on strategic development and philanthropic program to ICANN. So, please keep this in mind, she works in a professional capacity for a company who is actually advising about how foundations and charitable organization can be created.

So, she does have the knowledge. She already - we had her invited to be one of the experts and we had an exchange with different experts, so (Sarah)'s boss admired it as well and ICANN was generous enough to say it's fine that she does a neutral and objective, not favoring any model comparison of the various mechanism.

So, (Sarah), we are happy to have you with us and if you would be so kind to run through your approach - she is not in the room, but she is online with us, if you would be so kind to run through the - your approach the way you selected the different criterias and judging in a neutral and objective fashion the various mechanism, if you just could explain, and maybe give a little bit of background as well what let you to the way you categorize the various scenarios, and thank you so much for being with us again.

Can you hear us? Actually, I was talking to you and I'm not even sure if you can hear us.

(Sarah Beck): Thank you so much, Erika. I really appreciate it. Can you hear me?

Erika Mann: Just give us a second. We have - you're not loud enough, so we need a little bit more tone. Can somebody check? Can you say something again, (Sarah)?

(Sarah Beck): Okay, great.

Erika Mann: Much better. Thank you so much. We are fine.

(Sarah Beck): Wonderful.

Erika Mann: Please, go ahead.

(Sarah Beck): Thank you. I was asked to shed a little bit of light into the four mechanisms you're currently considering. And, it's a pleasure to reconvene with you during this Panama meeting. You certainly are - already having rich discussions around these mechanisms and what's important to you. And, as I mentioned before in our prior meeting, it's really important that you hone on - in on your goals and on your objectives.

So, just as a side comment, when you're thinking about reviews, when you're thinking about evaluations, what are they evaluating? What is most important to you? How do you define impact and what does that success look like?

So, as you think about the next steps and flush out answers to your charter questions, which you'll do here shortly, I'd like to share a broad objective overview of the four mechanisms reflecting experience with the technical aspects of operating each. But, before I launch into the specifics, I'd like to

share these components from the perspective that I had earlier shared in another meeting, which is all around control, competence, and cost. And, of course, there are many ways to think about these charitable models.

But, this is especially the case for you, the CCWG to consider ICANN, its protocols, and standard operating procedures, and how each one will work within your confines. This is something that I won't be able to specifically address, but something that you should be considering as you all are the experts.

So, is it okay if I just dig into each mechanism and lightly go over them? I know that we are constrained by time, but I thought that I could at least explain each mechanism.

Erika Mann: I would recommend you do this. I see - because there are many people who are not really very familiar with what we have debated in the past, so it is helpful for all of us. There are some, which believe that maybe we already have more clarity and we can maybe skip some of the mechanism.

(Sarah Beck): Okay.

Erika Mann: I don't believe as a group we are there yet, so I would say go through it, but keep please the time pressure we have in mind into consideration. Thank you.

(Sarah Beck): Of course, thank you. So, our first mechanism that we're looking at is in creating an internal ICANN department. This would be a department that's dedicated to grant solicitation, implementation, and evaluation. And, all of these grants would be listed on the ICANN annual tax reporting. So as you know, ICANN is what we call a 501(c)(3). It's a public charity and each year a tax filing is recorded with the U.S. government and that information is posted and it's public for any consumption.

So, in this case, all grants that would be given out would be listed. So, ICANN would be able to have Board governance, you would be able to have some stakeholder engagement, you would be able to sunset funds as we talked about earlier just for those who've not been involved in a conversation, sun setting funds would be to say we want to stop funding or we want to stop the entire program at a certain date. And, you would be able to give international grants.

So, there is a due diligence process with non-U.S. grants, if the - if - since ICANN is a U.S. entity, it will be listed and have to go through the U.S. due diligence process. When it comes to competence and in your startup process, obviously, there are components that are required for ICANN to create its own internal department. But, from a technical standpoint, there are huge components outside of ICANN that would need to start this up.

You would have to consider a grants management professional, someone who would be responsible for those grant requests, implementing those grant requests, evaluating and having an oversight. Some - another component I would consider would be communication. How do you communicate to entities that ICANN is granting funds? How do you communicate within ICANN that certain funds have been granted and how do you give those reports out to the ICANN community? Something to think about for you as you're considering mechanisms.

Lastly here within an internal department would be the administrative piece. That would include your audit, your legal, your investment responsibilities, and ICANN staff would be able to manage all of those components. And, as I've said the activity would be listed on the tax filings. Now, obviously, creating a new department that would have costs within ICANN, but in terms of the technical component here, when you're looking across each of the different mechanisms, the startup cost would be minimal.

I do want to speak a little bit about the expenses, because this is something that everyone's always - most interested in. And, earlier you are talking about tranches. So, oftentimes, organizations or foundations or groups will have a certain fund allocated and they do tranche that amount. So, you had a certain amount of money, you could say we want to sunset the funds within 10 years, you would then allocate funds for each year. And, then, depending on that year and on those cost related to the programs, then a portion of that annual budget will then go to covering all of the program function fees and administrative expenses.

So, I hope that gives you a little understanding about when you're thinking about cost. It's on an annual term, not necessarily within the entire fund. And, then, obviously ICANN transparency and accountability. This would be something for you, the experts within ICANN to reflect upon, and what does that look like for your own organization.

Now, if I go into the next mechanism, we would add on another layer. So, consider what we just considered with the independent department, let's add in another external organization, and in this case, it would be partnering with an existing nonprofit. Here at (IAS) we have vehicles called donor advised funds where the internal staff could manage the ICANN messaging, the communication, the oversight. They would be able to decide what grants would be made, but then all of the distribution of the funds, and the protocols, and the oversights would be administered by the donor advised fund.

ICANN would have complete control over the funds and how much to direct to the donor advised fund. But, because you're actually making a specific transaction, the donor advised fund controls the money, but ICANN would control the decision-making on where the funds go. So, in this case the grants would be listed on the donor advised fund annual tax filing and not on the tax filing of ICANN.

ICANN could also consider working with an outside organization or a consulting group to manage specific aspects or assets within the granting process. Again, this goes back to your goals and objectives of what type of grants are you considering, what are the criteria, what's considered success. So, in this mechanism perspective, the ICANN Board has governance, capabilities. The donor advised fund is responsible for the grant management. The ICANN stakeholder engagement would still be able to have a say and have give assistance in where those grants should go you. You could certainly have international capabilities and you can sunset.

In terms of competence, it would be the same process as having an internal department, but here ICANN would choose a partner within the donor advised fund. And, that could be a very simple decision in terms of looking at the criteria that's important to you and then partnering with that organization. Same in terms of the grant request. I think I outlined that a little bit earlier, how you would parcel out the evaluation and oversight.

When it comes to cost, again, it's fairly minimal in the grand overview. The only change here in terms of annual expenses would be that ICANN would have to pay the donor advised fund a charge for managing the investments and then also managing the fees. And, that can often be about 1% to 2% annual management fee.

I'm going to keep moving on here. I'm happy to take questions at the end. In terms of mechanism...

Erika Mann: Yes, let's move on, (Sarah). I think it is good and then we take questions.

(Sarah Beck): Great, perfect. Mechanism three is really taking a look at what would it look like to create a foundation. A foundation will be a complete new charitable structure that would be created separate of ICANN which would be responsible for the solicitation in the evaluation of proposals and the

disbursement process. When you're looking at control, it's a little bit different because it's a separate entity. It would require a separate board.

ICANN could certainly suggest or trigger the appointment of Board Members, but this would be a completely different board. The foundation could certainly host an advisory committee, which would include ICANN stakeholders. It would be able to sunset, but there are aspects within private foundations that would have slightly nuance ways of dealing with international grants.

So, they have to demonstrate foreign compliance, making sure that you really understand where the non-U.S. grantee is listed in terms of their fiduciary duties, and their grant agreements, and separate accounts. And, then, the - again, as I've said before, the - because it's separate, they will have separate annual tax filings.

Now, when you're thinking of competence and starting it up, this does require a separate entity identification number. It requires an approval process from the U.S. Internal Revenue Service. Sometimes that takes a couple of months, sometimes it can take longer depending how the process goes, and then it would have its own legal bylaws and agreements.

You would have to have a grants management team or professional who would oversee all of the grants and the requests. You might want to consider a communications consultant or resources that would be required. And, then, when you're looking at the costs on the administrative side, it has to be separate - managed separately. The accountings have to be managed separately. And, here, 5% of the principal account value must be dispersed each year, so that's a little bit different than what you'd be dealing with in a normal 501(c)(3) or nonprofit.

In cost, you have the time for IRS approval. You would have legal fees to draft by - the bylaws and agreements. And it would be the same amount of annual expenses that you would consider, but a lot of it would be separate

from ICANN. Again, when you're thinking about transparency and accountability, when it comes to CCWG, this is a separate entity and all of the transactions must be what's considered arm's length.

Lastly, when it came to (Mechanism IV), this wouldn't - the idea would be that an external entity would partner with ICANN. Another nonprofit or another foundation could be used, but ICANN would organize the oversight and dictate that each process would ensure the mission and fiduciary duties. This mechanism doesn't really exist. There aren't a whole lot of entities that would want to take direction from an outside party, and really follow, and adhere to a whole other set of requirements.

So, I don't think it would be very easy to do. There are ways it could work and maybe this would involve having an internal committee partnering with grant making consultants, which would be more of like (Option II) or you could partner with an academic institution depending on your goals and your objectives and the criteria that you lay out, perhaps, if you're doing some sort of large research center or research study, this could be helpful, and informative or you could partner with a global banking institution that has a charitable arm that could manage the investments and also manage the grant making, but would take oversight perspective from ICANN.

So, those are the sort of the closest components that I could think of that would work for (Mechanism IV). So, that's a quick overview. I'm happy to take any questions, thoughts or concerns.

Erika Mann: Thank you so much, (Sarah), and thank you so much for being able to deliver these four mechanisms, and the differences, and the topics one needs to look into in such a short time. I'm looking - somebody who wants to raise a particular question, please. Please be always so kind introduce yourself quickly, because (Sarah) will not see you.

Edmon Chung: Sure. Edmon Chung speaking. I don't know whether if this question is directed to (Sarah) or actually the group itself. So, I have a couple of wider question. We refer to ICANN and ICANN internal department, are we fixing thing - it to that at this point in time or do we mean ICANN or the ICANN community as a whole? I think that that should be clarified a little bit of whether it's ICANN staff or ICANN community, because staff-led and community-led might be slightly different, but I don't think we need to be so specific at this point, same goes to...

Erika Mann: No, no, Edmon, just answer quickly to your question, this is a topic which we discuss. So, there is no clarity yet if it would be in-house, it would be certainly a separate department, it would be separate from the rest of the organization, more like what we have with IANA. But, I don't think so - this is something, I think, which (Sarah) - she just compared, you know, what would be different in - with regard to - in particular, to proceed just like, for example, for tax filing, what has to be respected if you have it in-house or if you outsource it or you merge it with a different entity, so...

Edmon Chung: Yes. Okay. Then, my second part of the question may be the same answer then, I see that for (Mechanism II) and IV, it specifies a particular organization. Are we specifying it as one organization or could it be multiple organization, maybe ICANN working with three or five organizations together? And, does that have an impact on (Sarah) and how, you know, I guess, (Sarah)'s evaluation of it?

Erika Mann: (Sarah), did you hear the question?

(Sarah Beck): Yes, thanks so much for your question, Edmon. You could certainly decide if you wanted to partner with a couple of different organizations. So, if you're looking at (Mechanism II), you could work with a couple of different organizations. Again, depending on your goals, and objectives, and whatever type of criteria that you wanted to do, it could be one.

In this case, I had shared, it would be with a donor advised fund. Oftentimes, having something smaller, it can be a lot more simpler. There's beauty and simplicity, but you could, of course, work with a whole different set of organizations depending on your needs. And, when it comes to me, I'm not sure I understood your question, but I don't - I would not have a - this does not have an implication on me and my thoughts on how this would work out.

I hope I answered your question.

Erika Mann: I do have, Andrea. Andrea, please.

Andrea Glandon: Thank you. I have a remote question from Vanda Scartezini. "Even considering that as short-term..."

Erika Mann: Can you just ensure - can I just ask (Sarah) if she can understand you. (Sarah), can you hear Andrea?

(Sarah Beck): Yes, I can hear you, Andrea. Thank you.

Erika Mann: Perfect.

Andrea Glandon: Great. Thank you. "Even considering that a short-term department to be created, the compared costs still minimal considering people need to be dismissed after two to three years for instance."

Erika Mann: (Sarah), please.

(Sarah Beck): Thank you so much, Vanda. Yes. You could consider a group that would have only a sunset period. So, if you were to hire a team, you would hopefully share with them that maybe this team would only exist for three years, five years, 10 years, however long you decide your organization would want to have this running.

So, the cost, I think, would be similar to what you would be working with in any of the other mechanisms.

Erika Mann: Marilyn, please and then...

Marilyn Cade: Thanks, it's Marilyn. Thanks (Sarah) for this response. I'm just going to respond to the last point first. It's very customary in the development environment for there to be limited term contracts. So, I don't actually - I'm not too worried about that if it's an external group. I think it's unusual to think that within ICANN unless we're hiring people as contractors which adds real concerns to me than about accountability, et cetera, but I'd just say that in external grant making organizations, et cetera, it's not at all unusual for there to be a term limited contract, particularly for trusts or others that are distributing family trusts.

(Sarah Beck): That's correct.

Marilyn Cade: But, again, I think...

(Sarah Beck): Oh, sorry. Go ahead.

Erika Mann: Marilyn, you wanted to continue? No? Okay.

Woman: (Unintelligible)...

Erika Mann: We need to the remote and then we go to Kurt, and if you want to come back Marilyn feel free so please.

Woman: Great. Thank you. I have a question from Carolina Caeiro. "CCWG member appointed by ASO, I am with LACNIC, would a foundation have to be U.S.-based?"

Erika Mann: (Sarah), did you hear the question? If the foundation would have...

(Sarah Beck): Thank you, Carolina.

Erika Mann: Please.

(Sarah Beck): Yes, I - this is a determinant with ICANN, given that ICANN is a U.S. entity, I would think that it will be U.S., but that would be really based upon ICANN's decision.

Erika Mann: That's a topic I would recommend for us to give back to our gap analysis. We will have to dig in deeper into this point. If you agree, we'll put this on our list. Kurt, please.

Kurt Pritz: Hi, (Sarah). My name is Kurt Pritz. Do I - do you know if any of these models put ICANN in a different position with regard to legal liability with one model compared to the other to shield ICANN better?

(Sarah Beck): Thanks, Kurt. That's a great question. Each of these mechanisms will have its own liability, given that (Mechanism I) and (Mechanism II) are fairly similar, it would still have the liability components that you would have as a 501(c)(3) U.S. nonprofit. So, given the fact that you would be granting funds, it would be important as you've already talked about to go through the fiduciary due diligence, and the evaluation, and implementation, and oversight.

When you're looking at creating a foundation, a foundation is a completely separate entity and it does have its own legal liability. So, it has its own board, it's a completely separate board, and you would have to consider the implications there. When you're considering partnering with another organization, as you're considering in (Mechanism II), you're always going to have that legal, perhaps, legal liability in terms of who are you partnering with, but that is a fairly normal risk that one would take in this situation.

Erika Mann: Andrea, do we somebody on the - online?

Andrea Glandon: Yes, we do have another online question from (Renee Randall). "Is the separate Board requirement applicable for all types of 501(c)(3) entities or are there exceptions?"

(Sarah Beck): Thanks, Andrea.

Erika Mann: Yes, answer directly. It goes much quicker. Feel totally free, please.

(Sarah Beck): Yes, this - the separate Board requirement would only apply to (Mechanism III), which is the ICANN foundation. Any other of these aspects would be under the ICANN Board, because they would be set up within ICANN - the organization.

Erika Mann: Malcolm, please.

Malcolm Huty: Thank you. Malcolm Huty for the record. You mentioned that in (Mechanism I), the funds would be on ICANN's balance sheets and would have to comply with ICANN's tax status. But, in (Mechanism II), the funds would be on the donor advised funds balance sheet and on its tax filing form. Would this have any implications for the breadth of the range of entities that could be potentially eligible - made eligible to be distributed on the funds or would the ICANN mission statement - limited mission always be the controlling bound that would - that set the limits of what could be eligible and therefore the difference between these to not make any practical difference for the purposes of the breadth of the range of entities that could be made eligible?

(Sarah Beck): Thanks, Malcolm. You're correct. So, when you're looking at how they are listed on which tax filing, it really doesn't matter when it comes to the fact that all potential grantees must adhere to your mission. It's really about how the funds are dispersed, whether ICANN want to make that dispersed process and have it go through its own process or you, basically, outsource it to

another organization, but it would still adhere to the mission. So, it's a technical differentiation there.

Erika Mann: I think it's directly related to this question, Alan. No? Okay. Then, do we have another question online?

Andrea Glandon: Yes, thank you. A question from Carolina Caeiro. "In comparing (Mechanism I) and (II), is there a benefit to not have grant activity listed ICANN's annual tax filings with the U.S. government? Would ICANN be better protected by having the DAF reporting for grant activity it's tax filing?" I'm sorry, tax filing.

(Sarah Beck): Thanks, Carolina. I think that that really depends on ICANN and who the recipients are. I would not be able to speak to how you would want to deliberate as to what goes on what tax filing. So, I think that would be an internal deliberation.

Erika Mann: Alan, I'll take you first, Edmon (I had to), but I like to take Alan first, because you - we had you already and you - yes, fine with you? Thank you so much.

Alan Greenberg: Thank you. Alan Greenberg speaking. One of the things that we are considering overall, we haven't talked about it a lot, is the ability of ICANN itself or component parts of ICANN to apply for funds. Do any of the models make that - I won't say easier, do any models prohibit that or make that very awkward?

In other words, for instance, if ICANN is administering the funds itself, the concept of ICANN applying to itself to use its own funds is interesting. I'm not sure if there's any legal issue in it, but I'm just wondering to what extent the selection of the model may make that less or more difficult?

(Sarah Beck): Sure. Thanks for that question. It really does matter, so depending on how much you allocate to go towards this fund, that number would be very

important. So, if ICANN were to ask for the funds later, that's a very specific - if they've decided to do that after the granting period, then the - ICANN would technically have to apply for a grant for its own application. So, that really wouldn't work within sort of a (Mechanism I), right?

That also really wouldn't work within a (Mechanism III) where ICANN could not go to the ICANN foundation and ask for funds, because that would not be considered arm's length. So, if funds needed to go to your reserve account, that decision would need to happen before sort of your disbursement protocols and funding occur, it would be my recommendation.

Erika Mann: Alan has a follow-up question, please.

Alan Greenberg: Yes. To be clear, I understand that ICANN could make a decision that we only take half of the money and put it into the quasi foundation, whether it's a department or a foundation.

(Sarah Beck): Right.

Alan Greenberg: And the other half we use ourselves. I was explicitly asking if this money goes into the fund and then we want to apply as another - as any applicant do any of the mechanisms make that more or less difficult, that was the real question, not portioning off some of it and not making it available at all.

(Sarah Beck): Oh, I see. I apologize for the miscommunication. Yes, you're correct. So, when it comes to the ICANN foundation which would be (Mechanism III) you would not be able to do that. Technically, within (Mechanism I) or (II), you can do that.

Erika Mann: Jonathan, please.

Jonathan Robinson: Yes. It's Jonathan Robinson for the record. I hadn't - (Sarah)'s last point really covered that, but actually in one sense that's a question that puts the

mechanisms to a test. It's a sort of test and having - and you can see why - what the attraction might be to something like (Mechanism II), where there's an independent evaluation in arm's length body outside that does that.

So - but, in essence, the last remark that (Sarah) made answer that, so that was - that's clear.

Erika Mann: Edmon, you have a question related to this or you're fine? It's covered? Andrea, do we have one more or can we - okay. I'd like to recommend that we conclude the exchange with (Sarah) now. And, (Sarah), can we come back to you in case we have questions which are sent to us? So, please feel free if you have other questions to send them to Marika, but just before I make this recommendation, would you feel fine with this then to answer these questions?

(Sarah Beck): I would be happy to. Thank you for the opportunity.

Erika Mann: Thank you so much and thank you so much for being with us today. We greatly appreciate this. I know it's difficult for you in many ways and you're always available. Thank you so much for this.

(Sarah Beck): Thank you, enjoy.

Erika Mann: Okay, we have two more - thank you so much. We have two more items on the agenda. Marika, please guide us quickly through the evaluation of the relationship between charter questions on - between these four mechanisms we just discussed, and we do need your input here. We have received input from few participants and some members, but it's actually not sufficient. We need more. So, please, Malika.

Marika Konings: Yes, thank you very much, Erika. So, this is Marika and I already alluded to you this in the previous, in the earlier update. So, this is basically, I think, where we're currently at. As I've mentioned, there are a number of charter

questions that the group is looking at that need to be answered from the perspective of each of the mechanisms.

I think through (Sarah)'s presentation, I think you've already seen that, you know, there are aspects that are different depending on which mechanism you're looking at and we've already alluded as well to the question of a review mechanism, for example. So, as a starting point and that's what we agree on a previous meeting, the leadership team with the support of staff basically reviewed previous materials which included as well the charter question templates.

I think, as you may recall, when the group started, we had initial conversations. We ran some polls to get initial input on those questions and we use that as a basis together with the input provided by external experts to basically start an initial draft off proposed or possible responses to these charter questions. We ask everyone to look at that and provide their input. I recognize that, you know, it was leading up to an ICANN meeting and I know it's usually a very busy time.

We had a couple off of folks weighing in, but definitely not to the extent that will be needed to finalize these charter questions, and come to a perspective or by everyone can sign off on what is provided. There's still quite a few open issues and those are flagged throughout the document. I won't go into detail. You've all received the presentation or a link to the presentation that's on the Wiki page, but we've taken the opportunity here to call out some of the questions that we really need your input on.

So, I think I'm not sure, you know, we can go, of course, into details, but...

Erika Mann: Just - I would say the most important one just read them and show the show the document, because some might not - even have not seen it because of that traveling, so that you are aware what you - we really need your input, because otherwise we can't move forward without your input.

Man: Yes. (Unintelligible) quickly add to that, yes. Just to quickly add to is that many of the question that I've heard and personally hear, it's being addressed by - if you can try to answer those charter questions, so you'll save us a lot of time if you have a chance to read it further. Thank you.

Marika Konings: Alan, do you have your hand up or (is that an) old hand? Okay. So, as I've said, you know, so show the document and then after this meeting we'll send out the Google Doc. Again, I think the idea is going to be because for now we actually closed it down to be able to capture what is in there, but I think the idea is that after this meeting we'll open it up again and then again as I've said, you know, encourage everyone to review it.

You know, we can give a few examples of some of the questions that are asked and, you know, the feedback we're looking for. So, in relation to charter question three, which talks about, you know, what safeguards need to be in place to ensure that the creation of the framework as well as the exact execution and operation respects the legal and fiduciary constraints that have been outlined in this memo.

I think, here we identified a number of elements that should apply, but the question is are there, you know, additional different safeguards that would need to be put in place at the project level, and not looking at from the perspective of the overall mechanism as well as, you know, looking in (Mechanism I), you know, defining maybe in more detail or providing at least some principles on, you know, would be responsible for the oversight, you know, how could a separation from ICANN be arranged to avoid capture of funds for ICANN org related purposes.

Again, the number of questions that are - throughout the document which we're asking for guidance and consideration by the group, you know, similar - charter question five talks about a conflict of interest provisions and procedures that need to be put in place. You know, what is the model for

separation of staff, from (Mechanism II) and (III), you know, how can the department benefit from services expertise inside of ICANN and how are those service expertise paid for, this is also expected to be funded from auction proceeds.

Again, just to give you a flavor of some of the questions that we're looking at, I already mentioned charter question 11, the review mechanism. Again, looking at from the different perspectives of each mechanism, you know, what kind of review mechanism should be put place. Again, I think we've discussed before that's not intended to go into the details of what that would look like, but it could provide like high-level principles. You know, I think some people said it shouldn't be overly bureaucratic, should be conducted on a regular basis, but not burden the effort.

Again, those are some of the elements you may want to look at charter question. Eight determines or deals with the appropriate level of overhead supports, the principles outlined in the charter. I think we had this conversation before, but we may need to be specific here about what it's meant with overhead and does it relate to the running of the mechanism program or overhead for the administration of projects or both.

The material that (Sarah) has provided, it provides, I think, some guidance on that, that could be helpful in the consideration of this specific question. Then, charter question nine, talking - there's a number of sub questions in relation to the governance framework that would need to be implemented. And, again, we have a couple of questions identified here where we really need a further input from the group.

And then, last - not - but not least, and I think that Alan already alluded to this charter question of to what extent and if so how could ICANN, the organization or a constituent part or - be the beneficiary of some of the auction funds. And, so as noted, you know, I think here, a concrete answer could be at least based on (Sarah)'s input in the case of (Mechanism III) that

is legally not possible or not allowed. So, again, there you have a clear distinction between what may be possible or could be considered for one mechanism compared to another.

And I think that's basically it for that part, so that I think that the suggestion or proposal is that now after is meeting, you know, we'll send out the notes. We'll send out the link again. We'll send out a reminder and then really I would like to encourage everyone to provide your input in time for the next meeting and if I can suggest here maybe the - so that's basically in a week's time, Monday, that will give them the leadership time - teams some time to review that input and prepare that for the next meeting, which is proposed to be scheduled in two weeks' time, because that would really help us very far along in working towards a goal of publishing the initial report in time for the Barcelona meeting.

We'll get next to the time timeline but, again, being able to meet that timeline really depends on your participation, and your review, and your input. There's only so much that a staff can do in taking this forward. We really need your participation here in getting us to that first milestone.

Erika Mann: Thank you so much, Marika, for the update. And I would love to ask in particular those members who were sent from (SO/AC), please check with your communities, have a discussion, because now is the time when you really need to do it. Because when you look at the document, it's really nicely done because you have on the vertical side on the - on the Google Doc, you can see the - you can see the mechanism, the ones - the four we've discussed, and then on the horizontal you always have the charter question.

So, it's really easy to identify and to make the connection. It's a nicely done document, so please be so kind, have a debate and a discussion, because we don't want to experience the situation at the end where we - suddenly one of the communities comes to us and say, "We don't like this, what you proposed, and we have no exchange, and not sufficient information."

So, now is the time that you really have to do it and let us know as well if there are differences in your group. It would be good to hear back about this too, because it will help us then to respond to it accordingly. And, the last point would be just to mention when we look back from Barcelona and we are doing - we are wanting to have the draft report out three weeks ahead of Barcelona, we need sufficient time at least for two discussions ahead of the draft agenda.

So, can we have a look at the work plan quickly to see maybe if we can live with the current work plan or if you have to change it?

Marika Konings: Yes, thanks, Erika. So, that takes us to our next agenda item. Basically, the remaining steps in the proposed timeline based on, you know, what we've discussed here, and, you know, the work that is still remaining. You know, this is still, again, you know, pretty aggressive, and really will require commitments from everyone. We've currently proposed meetings every two weeks, but, again, that's something we could increase.

Erika Mann: We (unintelligible) then to one week.

Marika Konings: Yes. Prior to this meeting, as we initially had the objective to publish before this meeting, we went to weekly meetings. I know that everyone is very busy, so I think we come back to two weeks, but hopefully that does mean that people are able to commit to what is needed to get there. So, this, at a high level, basically outlines what will be proposed to be dealt with in those different meetings. So, again, hopefully that will allow for sufficient time to work through these items.

You know, there is a period where, of course, working towards the initial report towards, you know, the September - end of September framework where we may see any increased need for intensity of meetings. You know, 1st of October is coming up pretty quickly. I mean, we may have some

flexibility with the publication date. I think the official rule is that, you know, if a document that's considered for a decision, that needs to be published, I think, three weeks in advance.

If we're - yes, we'll definitely keep it but I'm trying to be realistic here as well. We may have some flexibility there. If we're - it's more draft that we want to discuss, and then, you know, or published closer to the ICANN meeting, it may just mean that we need to provide a bit more time than - for people to review, and for public comment to factor in that, you know, people are traveling at the meeting. But, this is what basically is proposed, so I would like everyone - I encourage everyone to review this and, you know, please share with the mailing list, if this is not something you can commit to.

Because I think if there are many people indicating that they cannot commit to this pace and, you know, the expectations of what needs to be discussed, and reviewed, you know, the leadership team needs to consider that, and factor that into the time line so that we can, you know, be realistic about what is achievable, noting that, you know, there are a lot of things ongoing at the same time.

Ching Chiao: Okay, thanks. Ching Chiao for the record. I think two things here, one - so, Erika, you ask maybe the SO and AC, their members here should bring the - that Google spreadsheet back to the - their own community. Do we set up a time for that as well? That's the first one and the second is that maybe jumping a little bit back to (Sarah)'s point on maybe in getting rid of mechanism for - I know we talked about this, keeping the options there, but we are also ranking, and also making the final recommendations here. So, it's going to be up to us to say that whether we should keep it or should we just live it out, I think that's the - maybe at some point of time, we should make a decision of that. Yes.

Marika Konings: Yes, and this is Marika, and brief because I know we're running out of time, and I'm guessing there will be a next meeting potentially in here. That does

indeed identified once we've gone through, you know, some of the steps, and you can see here, I think, the - I'm trying to see where it is, the 23rd of August, between the 9th and the 23rd of August, the idea would be to launch another poll. So, basically at that stage, the hope is that we have all of that information available based on what (Sarah) has provided based on the work that the group will have done on the charter questions that we can rerun, basically, almost rerun the same poll.

We may need to have another consideration about whether certain criteria should weigh more heavily than others. We touched upon that on an earlier stage, but we never really took a decision whether some are more important that could - then could be weighed in the evaluation and then the idea would be indeed based on those results, the group has another consideration about whether you want to, you know, provide the ranking of all mechanisms in the initial report, but clearly indicate where preferences lie based on current thinking and/or indicate as well which mechanism you're recommending, discarding for, you know, outlined reasons as well.

Erika Mann: Yes. For those who were not with us keep, in mind we had a poll and in the poll we try to find out can we delete some of the mechanism already to put - the outcome was too close, so there was no way to make a call. We want to repeat this call and I think based on their discussion today and hopefully on exchanges you have with the (SONACs), with your group, you can come make a better judgment.

It's a tough call, but I hope we will be able to make the call relatively soon, because we don't want to publish something before recommendation. This is really not advisable. Ideally, we want to narrow it down at least to two and then we are in a much better shape. For all of those who want to have the discussion with your groups, we have good slide decks available. You can have them. Marika will be able to send them to you. We have them even adjusted a little bit for different groups, we - because we had already done presentation this week, so you can review them, and can look at them, and of

course you have the work plan which you can take as well, and you do have the mechanism, and the charter question, and this summary from today, so you have good materials which you can actually use.

The next discussion which we will have on this topic will be on the 12th of July. Again, not - we will not be able to meet, but we will have an - a call, Adobe call. Thank you so much all for joining us today. Thank you so much. Thank you, (Sarah), in case you're still with us. Let me thank in particular the Board Members and - because I know you have so much to do.

It's great to see so many of you present and we do have the Chair, we have the Vice Chair, (Chris) with us, so - and then, of course, our two Board Members which are assigned to us, and so many more. Thank you so much for this. Thanks to everyone. I appreciate working with you and see you on the 12th.

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