
ICANN Transcription

CCWG New gTLD Auction Proceeds

Wednesday 24, April 2019 at 1400 UTC

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 audio is also available at:

<https://audio.icann.org/gnso/gnso-ccwg-new-gtlds-auction-proceeds-24apr19-en.m4a>

Zoom Recording: <https://icann.zoom.us/recording/play/awbiqKt8-oVOsXwNWQwCcOrbCNHBMu0py98tsLj9XDXuxFy-yvjAMR7sUpM2Vik4?continueMode=true>

Attendance is on the wiki page: <https://community.icann.org/x/lwB1Bg>

The recordings and transcriptions of the calls are posted on the GNSO Master Calendar page:

<https://gnso.icann.org/en/group-activities/calendar>

ANDREA GLANDON: Good morning, good afternoon, good evening, and welcome to the CCWG New gTLD Auction Proceeds call held on Wednesday the 24th of April 2019.

In the interest of time, there will be no roll call. Attendance will be taken by the Zoom room. If you're only on the audio bridge, could you please let yourselves be known now? Thank you. Hearing no names, I would like to remind all participants to please state your name before speaking for transcription purposes and to please keep your phones and microphones on mute when not speaking to avoid any background noise.

With this, I will turn it over to Erika Mann. Please begin.

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

ERIKA MANN: Andrea, thank you so much. So welcome, everybody. We do have a two-hour call today, and hopefully, we can get as much done as possible. There is quite a lot on our agenda, but let me ask you first if there's any update concerning the conflict of interest declaration you want to make.

Okay, that seems not to be the case. Then let us move to the next item. We thought it is good to have an introduction into Zoom. Some of us have used Zoom before, but even if you did use it before – and I did – the site looks a little bit different now. So I think it is a good idea to have an introduction into Zoom, and we will take as much time as necessarily so that you know how it works.

To some degree, I find it working quite well, but in some areas, I find it a little bit confusing still, but this might be just me. So Andrea, who is making the introduction? Is it you, or who's doing it?

ANDREA GLANDON: Yes, Erika, I will go ahead and do the introduction if you're ready.

ERIKA MANN: Wonderful. Yeah, I'm ready. Take it slow. Anybody who wants to raise questions – are you fine, Andrea, that we take the questions immediately, or do you want to first make the introduction and then take the questions?

ANDREA GLANDON: I'll go ahead and make the introduction first just in case any of the questions are answered in my introduction, and then I can take some questions after that if what they are asking hasn't been covered yet.

ERIKA MANN: Perfect. Can you just remind me, because I was looking for it, where do I again see if somebody raises their hand?

ANDREA GLANDON: Down at the bottom, click the "manage participants" and –

ERIKA MANN: I have the "manage participants" clicked and I see the list.

ANDREA GLANDON: Okay, so when they raise their hands, you'll see a little hand next to their name.

ERIKA MANN: It's still the blue little hand? [inaudible].

ANDREA GLANDON: Yeah. Looks like some people are raising them. Do you see those?

ERIKA MANN: Yeah. Thank you so much, everybody who is showing me how it works. Thank you so much. Okay, Andrea, back to you.

ANDREA GLANDON: Okay, great. Thank you so much. Thank you, everyone, for joining. I will go over a few points today just to assist you with the Zoom room, and as stated, if you have questions further, you can either type them in the chat or you can ask them.

First, upon joining, select whether you want computer audio or if you want Zoom to call your phone for audio. Computer audio has been proven to be clear and stable, so we do prefer that you use the computer audio if possible.

Each time you enter a Zoom room, please bring up your chat and participant windows. To do this, you will hover your mouse over the bottom portion of the Zoom room until the menu bar appears. Click the participant icon, which is needed for a hand raise, and the chat icon. Please note chat will only appear once you log in, so you will not see the chats that occur prior to you joining the Zoom room. But at the conclusion of the call, we do get an entire chat transcript, and that will be included in the attendance e-mail that is sent out by staff.

Of course, we please ask that you mute your mic. There are three ways to do this. Hover your mouse at the bottom of the screen and click the mute icon to the far-left side. You can also in the participant window hover your mouse over your name and select "mute." The third way is under the hand raise, yes, no, or go slower bar. There is a button that says "mute me" or "unmute me."

I will be sharing the agenda for today's call. [Joke] will be sharing any necessary documents. You can choose what you would like showing on your screen, and you can at any time select to view the other. To switch what will show on your Zoom screen, hover your mouse over the top portion of the Zoom room, click "view options" and select whose screen sharing you'd like to see.

Once staff start sharing documents, you may want to exit full screen. You can do this by hovering your mouse at the top of the screen, click the down arrow next to view options, and select exit full screen. If you want to stay in full screen but also want to be able to see the chat and participants, hover your mouse at the bottom of the screen, click "participants" twice, click "chat" twice, and the windows will appear to the right.

Currently, those are all of the things that I had to go over. If there are any questions, I'd be happy to assist.

ERIKA MANN:

Andrea, I'm just watching the participants room just to see if somebody wants to raise a question. Is this all okay? Has everybody understood this, no issue, no problem?

ANDREA GLANDON:

And I'm happy to answer questions in the chat throughout the call as well.

ERIKA MANN:

Perfect. Okay, it seems to be fine. I just wait a little second more just to see if somebody is late. But okay, it looks okay. So Andrea, I'm pretty sure if we have a question and somebody or I am not able to find something, we will come back to you in the chat room or just simply raise the question during our debate, which is totally fine.

Okay, then let's go and have a look to the next item on the agenda, which is the update on status of outstanding action item. So the first point is we have discussed in Kobe, we had many action items, and some of the action items were related to the work the leadership team had to do.

I have to report back to you that we just [haven't] managed. All of us, we had so much to do, either Ching and I or Marika and Joke, so we just couldn't manage to get this done. But we will get this done as quickly as possible and we will send you all this stuff which [we are now to do list,] we will send it to you as soon as possible, and I'm pretty sure we can get this done ahead of our next call.

The second item, I believe, Joke – and you have to remind me – was that we wanted to give an update about the templates, or do you want to still do this under point three from staff?

JOKE BRAEKEN

Hi, Erika. Yeah, I'm happy to provide the group with a small reminder of what actually the idea was of the small team. One of the action items coming out of the Kobe meeting was to review the example list as well as the guidelines and consider whether

additional language should be added to reflect the notion that evaluator may need to differentiate between what is in their regular operational ICANN budget and what is funded on a more exceptional basis.

ERIKA MANN:

Joke, just a second. Let us wait for this topic just for a second. I was wondering, we had the discussion in the leadership team to give an update about the template staff is working on, and the template was our goal to merge all the various information we have to receive from Legal and we had received from the board in a simple template overview so that each of us can find the topics we are talking about quickly.

It's always difficult to go back to a complete dossier, in particular if it's a while ago, so the idea was to do this relatively simple overview, and then to make it easier for all the members and participants of this group to find the topics quickly. So this was my question. Sorry, apologies for not having been very precise.

And then we will come to the next item. So may question is, do you want to report about this, and do you have an update? Marika mentioned in the leadership call that you progressed in this work, but maybe you want to report to this group as well about it.

JOKE BRAEKEN

Thank you very much, Erika. Apologies that I misunderstood, but indeed, staff is working on two standalone documents. One captures the input received to date from the ICANN board, and the second one relates to the legal and fiduciary requirements. This

work is almost done. The idea was to share it before the call today, but there are some final checks that still need to be completed, so once those are done, we will share the documents with the group shortly. Thank you.

ERIKA MANN:

Thank you so much, Joke. Okay, then let's come to the next item, and please be so kind, do the introduction of how we debated the topic in Kobe. The next item comment on charter question two and the related work the small group did, and the related item to point C as well. So I you just introduce the topic, and please be so kind to go back to the history, because I believe some people will have difficulties in moving between the discussion here and the documents which they might have to access either in Google Doc or somewhere else. So if you would be so kind just to give the history of the introduction to this topic as well. Thank you so much.

JOKE BRAEKEN

Thank you, Erika. If you look at the agenda which is currently being shared, there was one hyperlink, and in this hyperlink, you will be able to see all the review templates that we are discussing during these calls. And regarding charter question number two which we discussed in Kobe, we had an action item when we discussed comment number four, which was about whether to fund universal acceptance initiatives or not.

So after a discussion in Kobe, an action item came out of that meeting to set up a small team which would review the example list and the guidelines that consider whether additional language

needed to be added to reflect the notion that evaluators may need to differentiate between what is in the regular operational ICANN budget and what has been funded on a more exceptional basis.

The group also mentioned that this would be a determination that needs to be made by the evaluators in line with the legal and fiduciary requirements.

This was indeed also referenced in the board input, also the latest board input is all published on the Wiki, so you will be able to find all information back there.

So the small team met in the meanwhile, and came up with some proposed language which was circulated one more time to the small team, so the group has one final comment round until the end of this week, and after that, the language can be shared with the CCWG once the small team has done its final review. Thank you.

ERIKA MANN:

Thank you so much, Joke. I hope everybody has a memory about the topic we discussed in Kobe. I'd like to ask someone from the small team who worked on this topic now maybe to introduce their discussion and the way they framed and the direction they would like to take, and then help us to understand the challenges they face and if they have experienced some differences between themselves and during the discussion in the small group.

So who is willing to make the introduction? So far I see from the small team Jonathan, I can't see Elliot, and there was one other member joining the small group meeting. Andrea, can you remind

me, or Jonathan, can you remind me who it was? Have I lost you all?

JONATHAN ROBINSON: Hi, Erika. It was Alan.

ERIKA MANN: It was Alan. Okay, I can't see Alan neither. So Jonathan, are you able to make the introduction, please?

JONATHAN ROBINSON: I think I can, Erika. I wasn't expecting to. But let me give it a quick go. Essentially, there was a brief coming out of Kobe, as you know, to look at those two topics. We chewed it over and there is a recording. The meeting lasts about half an hour. We went, we looked through the different angles, and then came up with some proposed new wording which was shared with the group. I don't think it's been shared with the full CWG, and it provides a little bit of additional wording.

So, can you remind me, Erika? I don't think that's been shared with the CWG. I've obviously read a little bit of an e-mail discussion on our list, but I think that's only with the small group at this stage.

ERIKA MANN: Yes. That's what I saw. It's with the small group, and you had Ching and myself included. Unfortunately, I couldn't join the call.

So that's why I can't report about it. I'm very good grateful that you are able to do this. Sorry to put you on the spot.

JONATHAN ROBINSON: No problem. Essentially, there were some small additions, and it's probably best I don't [inaudible] we should share it with the group. But in other words, with the full CWG once the small group has been [through it.]

I don't think there is a lot of disagreement in other words. We largely agreed. Alan, myself and Elliot discussed it together with some facilitation from Erika. And the main point really was making sure that there was a recognition that any work that was done should be consistent with the ICANN mission but that was necessary but not the sole condition for funding. But there's a little bit more detail on that on the wording, but not a massive amount. So I think probably I shouldn't share any further detail until the group's refined its position, but I don't see it moving a lot beyond that. So I hope that's a useful sort of sketch report, Erika, and then we can take it from there.

ERIKA MANN: Thank you, Jonathan, and then I believe you wanted to understand as well this fine line to walk between some of the comments we received [to we're fine and accordance] and supporting the original recommendation we made for the public comment period, and some comments we received [were arguing] that maybe some support which some of us believe should come out of the purely operational budget, so they were arguing maybe

that some of the projects which typically fall within the operational budget can be supported, find support and access to these kind of funds in the future too.

So thank you so much. Do you want to read the current text so that people have an idea about what the group is talking about, or do you rather prefer to wait until you have finalized this? Jonathan, back to you.

JONATHAN ROBINSON: I don't mind copying. I can perhaps copy the current draft in the text into the chat box providing it's on the understanding that this is work in progress and may move a little bit. But that should be fine, Erika.

ERIKA MANN: I appreciate this, Jonathan. I believe it's good.

JONATHAN ROBINSON: I'll do that now.

ERIKA MANN: Yeah, thank you so much. And then just concerning the timing, Joke mentioned you are expecting to need time until the end of this week, and then you would be able to send the final text you come up with next week, and then we will still have time to receive input from the members and the participants of this group. So we would have another discussion about the topic in two weeks' time. Is this the timetable what you expect, or would you rather do the

consolidation from this group during the upcoming two weeks so we can conclude this item? What do you expect is happening?

JONATHAN ROBINSON: I hadn't thought about it in that way. Might be nice to try and get it done as quickly as possible but we may need to do it in sequence. We should probably finish the work from the group, bring it back to this main group and then take it from there.

ERIKA MANN: Okay. let's do it.

JONATHAN ROBINSON: Elliot just joined, so it may be that he wants to make a comment. Just to let you know, Elliot, your camera is live and I see one or more other people may have live cameras as well, maybe not so familiar. It's fine. [inaudible] I wouldn't be surprised by it.

ERIKA MANN: Why don't I see Elliot on the list? Because I was checking. This is strange.

JONATHAN ROBINSON: He's just joined recently, I think, so I see he's in the chat if he wants to contribute as well, Elliot.

ERIKA MANN: There he is. He's just showed up. So Elliot, Jonathan just made an introduction about the work you have done in the small group. He was laying down the discussion you had, and at the end, we discussed whether it would be okay if you finalize the work until the end of this week or if you need a little bit longer. Please let us know now, and then we will distribute the final text to this group and we will continue if needed the discussion by e-mail, but we will then bring it back to our next call in two weeks' time to discuss the item if necessary. And in the meantime, Jonathan posted the current draft text in the chat room. So my question is, do you want to add something to this discussion, or are you fine with where we are?

ELLIOT NOSS: No, that sounds good. I'm going to go back on mute, but it seems it all felt pretty lined up, so that's good. Unless you have any questions for me.

ERIKA MANN: No, I think we are fine right now. Thank you so much for this work. Okay, anybody who wants to raise a question to this group? Let me ask Maarten, because I see Maarten, I can't see Becky. Maarten, what is your opinion about – you have seen the current text, I believe, and if not, please have a look at the chat room and if there are particular concerns from the board side, would you be willing to share them with the small group then as quickly as possible?

MAARETN BOTTERMAN: Yes, sure. What Jonathan said made a lot of sense to me. I haven't seen the text itself, but we'll look at it, and if there's anything in concern, we'll get back on that.

ERIKA MANN: Okay.

MAARETN BOTTERMAN: It sounded to make a lot of sense.

ERIKA MANN: Yeah. Thank you so much, Maarten. And we will distribute the text as soon as they finalize their discussion, and then we will distribute it to everyone. And please, come back to us as quickly as possible so that we can fine tune it if necessary. Thank you so much.

Okay, there seems to be no further, nobody's raising – I see you, Joke. Do you want to make a comment on this one?

JOKE BRAEKEN Sorry, Erika, that's an old hand.

ERIKA MANN: That's an old hand. Okay, fine. Then I believe we can conclude this discussion. So the next item then on the agenda is we go back to discussing our charter question, A, B and C we have prepared, and I believe we have [even] prepared some more. Or

do you want to make a comment about the templates? No, we've already discussed this before, we don't have to do this anymore. Do we, Joke?

JOKE BRAEKEN

Hi, Erika. No, I don't think it's needed to further discuss number C. We already did that. [I believe] we can go to charter question number eight.

ERIKA MANN:

Exactly. Please. Can you pull this up?

JOKE BRAEKEN

it is currently being shared. Can you see it?

ERIKA MANN:

No, I can't see anything.

JOKE BRAEKEN

So regarding the view options, Andrea, could you explain one more time how people can toggle between the screens?

JOKE BRAEKEN

Yes. Thank you. One moment. Okay, if you go to the top of your screen, and you click view options, you should be able to see my name and Joke's name to see what we're sharing. If you click on Joke's name, you'll see her screen, and if you click on mine, you'll see the agenda. are you able to see that, Erika?

ERIKA MANN: Yes. Thank you so much for reminding me.

ANDREA GLANDON: You're welcome.

ERIKA MANN: Somebody [inaudible].

ANDREA GLANDON: Yes. I'm checking the lines.

ERIKA MANN: Okay. Thank you so much. Thank you for finding this line. So I forgot again how I can enlarge the text, but I'll give it back to you, Joke, to see it, because otherwise, I have to move between different screens and I will not be able to read it any longer. I'm on my very small little tiny notebook. So please, just be so kind, introduce the topic and somebody actually is having on the video. Okay, sorry, apologies. So please be so kind to introduce the topic the way we published it in our first recommendation for the public comment period, and then please guide us through the various stages so that those who are not seeing the screen or who are not able to read it like I can do right now, just really understand the context and then – so guide us, please, through the document. Joke, to you.

JOKE BRAEKEN

Thank you, Erika. So we're now over to charter question number eight, which says what aspects should be considered to determine an appropriate level of overhead that supports the principles outlined in this charter. And the overarching question is that as a result of the input provided during the public comment period, should the CCWG reconsider its recommendation implementation guidance that guidance for the implementation phase in relation to charter question number eight is as follows, so ICANN and any partnering organizations are to design a cost effective model that ensures an appropriate proportion of the funds are available for distribution to fund recipients.

ICANN and any partnering organizations are to follow industry best practices where appropriate and applicable. To the extent possible, in light of program objectives and requirements, the principle of simplicity should apply. If yes, why? If no, why not? If it is not possible to make this determination at this stage, what input or information would be necessary to make this determination?

Then we have comment number two from the NCSG where the commenter suggested the CCWG to consider being less vague in relation to the implementation guidance, in relation to charter question number eight. Chosen mechanisms, operating budget should be capped at 10%.

The leadership recommendation was as follows: check whether we'd like to recommend a precise cap for the operation budget. Thank you. Erika?

ERIKA MANN: Thank you so much for the introduction, Joke. So I see Carolina. Carolina, is this a question you have, the hand up, related to the previous discussion, or is this a new hand up? Just checking with you quickly.

CAROLINA CAEIRO: Hi, Erika. I had my hand up by mistake. Sorry, I must have passed it without meaning to.

ERIKA MANN: Okay. Thank you so much. So I believe we had the discussion about this topic before we made the recommendation for the public comment period, and I think we came to the conclusion not to make a recommendation for a precise percentage, and the reason, if I remember well, that we said – first of all, we had disagreement between us, and the disagreement raised to quite large degree from – I believe it was 8% to some of us who argued that actually, the amount should be much smaller.

And then the second was that of course depending on the project size and the complexity of the project, the overhead will vary as well if it's a simple and straightforward and a relatively small project, the overhead will be relatively small, and if it is a very complex and internationally very diverse project, of course, the overhead will be much larger.

So this was the discussion we had. My feeling is we should leave it at our original recommendation not to put in a precise ceiling for the overhead, but I'd love just to hear quickly your opinion about this. I go on mute and give you a second, and if you believe you

agree with me and nobody raises their hand, I believe we can continue, but I'll just wait for a second.

Yeah, I see it makes sense. Somebody is saying – I believe it is Vanda – 15% overhead, so I believe we are fine, we just don't touch this topic and we can make a reference if needed in the guidelines about – but it's recorded anyhow, our discussion, so we don't even need to make a recommendation in the guidelines about our current debate and discussion, we just leave it with our original recommendation.

Can you just summarize the action item on this, Joke, so that we have a clear understanding between us how we want to proceed?

JOKE BRAEKEN

Thank you, Erika. So the original recommendation was not to include a precise ceiling for the overhead, and this will be noted as the action item going forward. Thank you.

ERIKA MANN:

Thank you so much, and then to remind everybody, this will show in the template which we now do have where all of our action items are recorded, so not just the recording, but if you remember last time, Marika showed to you and Joke showed to you this template where all of our action items are and final decisions are recorded. So this will show up there. Okay, Joke, then please be so kind, take the next item.

JOKE BRAEKEN The next item in this document is actually the response to charter question number eight regarding the guidance for the implementation phase in relation to charter question number eight. I'm not sure if you prefer to address that one as well.

ERIKA MANN: Yes, please.

JOKE BRAEKEN So the first –apologies, Erika, I was a little bit confused. This is actually the more detailed explanation of what we just discussed with the overview of the entire comment made by the NCSG, so I think we can skip this.

ERIKA MANN: Yeah, I can explain this quickly for people as our members and participants are seeing this right now. So this is the overview which you see here of all of the comments we received [through] the discussion and the decision we just have to take.

So what I did here in the original proposal in preparation for the leader team decision, I screened the whole text and then I made a recommendation. So here you see, and you have this document when you go to the files or the Wiki document. You can see it here. You see always the comments we received from an SO/AC, and then you see the comments I made and then this was translated to the template Marika and Joke came up, which made it just easier to review this document. Yeah, we don't have to review this

again. We have taken decision, Joke, and we can skip this document.

Just wait a quick second. Apologies. I see that Xavier wants to make a comment. Xavier?

XAVIER CALVEZ: Thank you, Erika. Can you hear me?

ERIKA MANN: Perfect well, yes.

XAVIER CALVEZ: Thank you. I just wanted to come back to the point that was made about the overheads and stating a ceiling or not. Maybe the group will want to consider explaining why in the response of or in the response of addressing the comment to explain why the group thinks not specifying a ceiling is [inaudible] approach. Maybe at the same time reinforcing that while the ceiling is not offered, I think the group has stated a principle of minimizing cost to the extent possible. So while it's not a [given] number, the group is instructing or recommending that costs should be minimized to the extent possible while the objectives of the model and the mechanisms are respected. The minimization of cost is very important principle stated by the group in its recommendations. So it doesn't appear that the group doesn't care about costs, but has correctly looked at the fact that the mechanisms could lead to different levels of costs, but in looking at that, the organization at the time we're going to implement this, we should abide by the

principles stated by the group and recommended by the group of minimizing costs. So I think stating that principle is an important complement to the statement of we don't think a ceiling should be stated for the overheads. Thank you.

ERIKA MANN:

Thank you so much, Xavier. That's an important point, and I believe we have this recorded from this group discussion already, but I believe you're right. So what I would like to do, Joke, to bring this topic back to the leadership team, review what we have recommended in the original recommendation, and what we have put already in the guidelines for the evaluators, and if this topic is missing, we will put in the relevant recommendation, so along the line, Xavier just expressed this and along the line we have debated the topic, and then we will bring it back to the group just to get confirmation that the group is confident about the language we recommend to include in the guidelines. Joke, are you ready just to summarize the point I mentioned so that we have an agreement between us concerning the action item? Just to explain to everybody, because we have a little bit of difficulty in seeing everything on one screen and we can't see the typing neither, or I would have to change again the screen. we agreed, Marika and Joke, that we want each time to clearly express the action items so in case we have a misunderstanding between ourselves we are immediately clear about it. So Joke, please be so kind.

JOKE BRAEKEN

Thank you, Erika. If it is helpful, we could also stop sharing the agenda and share the document with the live notetaking instead.

ERIKA MANN: No, I don't think so. I'd rather prefer that you summarize it and then we are really clear if it is repeated.

JOKE BRAEKEN Absolutely, happy to do so. In case you would like to follow the live notetaking, Andrea just posted the link in the chat.

So we have a second action item now which is to discuss this topic again among the leadership team. the leadership team will review the original recommendation and see what has been added in the guidelines. If needed, there will be further specifications along the lines expressed by Xavier. Thank you.

ERIKA MANN: Thank you so much, Joke. And then we bring it back to this group to receive the confirmation as last item on this topic point. Okay, Joke, now we can continue. Apologies for disrupting you. Back to you again.

JOKE BRAEKEN Not a problem at all. I will pull up charter question number nine. One moment, please. Now you should be able to see the document with charter question number nine. I will go through the introduction, so this question is about what is the governance framework that should be followed to guide distribution of the proceeds.

The issues addressed by a governance framework could include but do not have to be limited to, A, what are the specific measures of success that should be reported upon, B, what are the criteria and mechanisms for measuring success and performance, and C, what level of evaluation and reporting should be implemented to keep the community informed about how the funds are ultimately used?

The response provided to this charter question should guide the development of the governance framework during implementation phase.

So we have the overview of the comments where we have comment number one by the ICANN board, which [inaudible] relation to the mechanisms for evaluating grant applications and/or administering a program, the board welcomes the reference made to fiduciary requirements. It may be useful to know that the audit requirements described in the initial report are useful information added to the recommendations. They do not apply specifically to the disbursement of auction proceeds on a standalone basis but apply to all ICANN's activities, including the disbursement of auction proceeds if and when it occurs. As such, the disbursement of auction proceeds needs, like all ICANN's activities, to meet requirements that any independent financial audit evaluates to ensure activities are carried out in pursuit of the organization's mission, activities are lawful, activities are documented, recorded and reported as per regulatory and bylaw requirements.

The above applies also to mechanisms C, should it be considered, since the disbursement of the auction proceeds to a foundation is

a transaction, an activity that is in itself subject to the same governance requirements. The board also welcomes the inclusion of consideration for risks in the proposal as this is an integral part of the fiduciary duties of the board, specifically the duty of care. The evaluation of risks associated with applications and grants is helpful. The board would strongly suggest, as it will itself need to do, to also include explicitly the consideration of the risks associated with the mechanisms elected for evaluating grant applications and/or administering the program itself. So just a risk that decisions to allocate or not grants to applicants are challenged or the risk that funds allocated to applicants are misused. Mitigation considerations could also feature any guidance to the implementation team.

So regarding the type of change suggested, the leadership recommendation is as follows: a risk evaluation is needed, the board would strongly suggest, as it will itself need to do, to also include explicitly the consideration of the risks associated with the mechanisms. I will not read this again because this is a repetition of what I just read. So summary is a risk evaluation is needed, and then secondly, include in the implementation team guidance that mitigation consideration should also feature any guidance to the implementation team. Thank you, Erika.

ERIKA MANN:

Thank you, Joke. Yeah, that's the recommendation from the leadership team, and I believe it's a very reasonable recommendation. So I wonder just how we want to do it. Do we want to include this in our original recommendation or do we put this language – I believe we have to include it in our original

recommendation, and instead of forwarding it to the guidelines. But I'd just love to hear from you how you'd like to handle this. Anybody who would like to comment on it? Joke, are you able to reach the original recommendation which we made, and are you able to include the language which we just discussed about risk about and about the mitigation factor? Are you able to do this? I have to apologize, I just can't see it, otherwise I would do it myself. Can you just read how it would read so that we have an understanding between us here?

JOKE BRAEKEN

Yes, Erika, so the type of change – I need to admit that this document looks a little bit different than the other documents where we summarized the documents that have been received. So what you actually see now and what I've read is the four comments that were received by the ICANN board. Then we have a next column with the summary of these comments and the leadership recommendation, but I do not have the entire text of the original recommendation. Apologies for that.

ERIKA MANN:

So then we have to go back. Is somebody able to open the document and is able just to read the original recommendation which we made for the public comment period concerning this topic? Can you do this, Joke?

JOKE BRAEKEN

Absolutely, Erika, if you give me a minute. Thank you.

ERIKA MANN: Of course. Take your time. Apologies to everyone, but we had some difficulty in the moment, all the whole staff team and myself and and Ching, we were just a little bit stretched this week to get everything prepared. Typically we do this in advance, but this time we had some difficulties.

Joke, if it's too difficult to find, we can do something else as well, we can take this back again to the leadership team, and we will then forward the agreement and the final text which we recommend, the changed text to the original recommendation which we published for the public comment period, including these two items we just discussed. We will take it back to this group, and we'll send it in the upcoming next week.

If it's too difficult for you to find, I believe we have an understanding. I don't see any conflicting comments in the chat room or anything else. We can proceed like this if it's easier for you.

JOKE BRAEKEN I think that is indeed the safer solution, Erika. Thank you very much.

ERIKA MANN: Yeah, of course, Joke. We fully understand it's difficult to find always the documents when one needs them. Thank you so much. And I'm totally lost right now because I'm on this micro screen which hi have here which I had to take for traveling

purpose. I'm nearly blind as – I don't know, some animals that are blind. So as a bat.

Joke, back to you. Can we have an agreement here and just look for the chat room if somebody is not agreeing with us? And I will pause and we will take a different approach, but otherwise, we will move on and get an understanding between us concerning the next item.

Okay, Joke, go on, just continue. We have an understanding here, just repeat the action item so we're clear about it, and the new can move forward, please.

JOKE BRAEKEN

So what staff will do, Erika, is to send the text of the original recommendation to the group and to discuss this at the next meeting if needed.

ERIKA MANN:

In the meantime, next week, the leadership team will come to a conclusion about how we want to integrate these two by the board recommended [item points] and then we will send it to the whole group. Yeah?

JOKE BRAEKEN

Absolutely.

ERIKA MANN:

Thank you so much.

JOKE BRAEKEN Erika, if you could please give me one more minute, I will quickly verify something, and then maybe that will make the rest of the discussion regarding charter question number nine a little bit easier.

ERIKA MANN: Absolutely, Joke, take the time you need.

JOKE BRAEKEN Thank you very much.

ERIKA MANN: Pleasure. And I will go on mute.

JOKE BRAEKEN Thank you very much for your patience. So what I displayed now on the screen is actually an easier overview to help us guiding our discussions regarding the comments received for charter question number nine.

One more minute, please. Apologies.

ERIKA MANN: No problem. We are all learning to work with this tool. Don't you worry.

JOKE BRAEKEN Many different screens open.

ERIKA MANN: It'll all get easier in the future. Don't you worry. Thank you so much for everything.

JOKE BRAEKEN Thank you. So I suggest we move over to comment number two, which we received regarding charter question number nine. So comment number two is from the ISPCP, and the commenter suggests for the CCWG to consider the importance of due oversight of all allocated funds and reporting mechanisms once a project ends. There is no leadership recommendation at the moment there.

ERIKA MANN: Yes, I remember, because I believe we already have this covered. Can somebody check please? Somebody's not on mute. Thank you so much. So I believe we have this already covered, but it's in a topic which I believe it's important to include. But I see Elliot. Elliot, please go.

ELLIOT NOSS: This comment echoes probably a half dozen comments that I would describe as motherhood comments. Of course, they're good, and of course, they're true. And I'm wondering if rather than addressing them individually, we could just have a blanket statement about oversight and rigor, etc. Because I think it's words

until it's until it's implemented and I think that we could probably save ourselves a bunch by identifying all of the comments that that are similar. And when I say that, here, they're talking about oversight late in the process at times. It's about conflict at times. It's about not wasting money. But I think all of those things are, of course, true. Everyone would agree, including everybody in the group, and I think if we can just have one kind of boilerplate motherhood peace, order and good governance comment, that might be simpler for our work.

ERIKA MANN:

Yes, I agree with you, Elliot, and I believe I identified them already all, but we just wanted to bring them all to your attention so that we have a common understanding about it. Yes, I agree. The question which we have to decide, do we want to make one single recommendation about good governance, or do we just put this forward to the guidelines, or maybe both, and explaining the different topics raised and the comments we received, and those which we already discussed.

I agree with your approach, we should just have one general topic about good governance. I agree. The question is, how do we do it? Recommendation and/or put forward in the guidelines to the evaluators. Let me check the chat room.

Yeah, in the drafting team, we can do this. Who would love to join the team? I'm happy to join. Elliot, I assume. Who else would love to join, and we do it by e-mail? Somebody else? No? Okay, that's fine. Elliot, I believe we can get this done quickly, and so Joke, put this forward again to an action item. Let's get this done as quickly

as possible next week. I don't believe it needs as lot of time, we just need to review what is the original recommendation and guidelines, similar to the topic before we discussed, just check what we already have included, and then do a quick screening of all of the similar comments we received during the public comment period so that we just do a quick checklist and see what is similar and falls in the same basket of good governance, and then we can come up with a recommendation to this group.

Joke, have I lost you?

JOKE BRAEKEN

Still taking notes, but I noted that as a fourth action item. We have a small drafting team consisting of Erika and Elliot to review the original recommendations and the guidelines and do a quick screening of all comments received during the public comment period, and they will come up with a text which covers the good governance recommendation.

ERIKA MANN:

Yes, [or] we do a quick screening of all the comments which relate to good governance principles and we will check them against what we already have included either in the recommendation or in the guidelines, and then we will come up to this group as a recommendation how we believe we should treat this.

JOKE BRAEKEN

Thank you, Erika.

ERIKA MANN: Thank you, Joke. Okay, so you have to guide us to the next one. If [we see it] falls exactly in the same basket of good governance, we will postpone it because we will put it forward to the small group we just discussed, but please, before we do this, read, and so let's check what is the next item on our list.

JOKE BRAEKEN Erika, we have two more comments. The next one is by the BC, which mentions the following: CCWG to consider including funding needed to ensure a highly respected external audit provider, maintaining a regularized feedback mechanism to the ICANN community, the ICANN board, and ensure effective communication reports.

The leadership recommendation is to check whether clarification is needed for external auditing requirements for the newly established mechanism. Thank you.

ERIKA MANN: Thank you so much, Joke. I want to ask Xavier here about it, because I remember, Xavier, we had a discussion – just checking first before I continue talking, if you just can give me a sign you are on the call still.

XAVIER CALVEZ: I am, Erika.

ERIKA MANN:

Wonderful, thank you so much, Xavier. So the question is we had a discussion about this before, and I believe we had an understanding in this group, and I believe it was confirmed by you that the auction proceeds would have a separate audit separated from the original audit ICANN is doing.

And of course, all of the fund would have to be audited, I believe, once in a year, and a separate audit would have to be done for each individual project. This [is a common] good standard in funding environment. But I just want to hear your opinion concerning this comment which we received from the BC.

XAVIER CALVEZ:

Thank you, Erika. So relative to what is called the annual independent audit that ICANN as a nonprofit is subject to, and I'm distinguishing this regulatory requirement pertaining to the status of ICANN as a nonprofit organization from the wording of audit as a practice or type of activity which you can audit anything you want, you can audit your own bank account if you want, it simply means as a common word verification, reverifying something.

But the word "audit" in the context of an annual independent audit carried out as per regulatory requirements in the U.S. or in any other country that has audit requirements, obviously described with different words in different countries, that audit requirement is not specifically applying to the auction proceeds because the audit requirement applies to a legal entity and to all the activities carried out during a given period that is audited by that legal entity.

So the auction proceeds that we have been holding in investment accounts over the past few years since we've collected them have been the subject of audit procedures by our auditors on an ongoing basis for every year that we've held them, not as a separate audit [and] audit certification, but as part of the assets that the organization has carried out during the periods that have been audited.

So the auction proceeds on their own are not the subject of a separate audit and of a separate certification by annual independent auditors but they are audited with specific procedures pertaining to the nature of those assets that the auction proceeds are as part of the annual audit that our independent auditors carry out for ICANN and for PTI on an annual basis.

I want to be specific that the nature of auction proceeds is such that the auditors would carry out specific audit procedures to audit those specific auction proceeds and to audit the disbursement of those auction proceeds, but they would do it as part of their overall audit of ICANN as a legal entity and of the transaction that ICANN as a legal entity has carried out in any given year.

So for now, our auditors only verify that these auction proceeds exist in our books, that they are safeguarded as per our investment policies, and that we correctly account for those auction proceeds and the interests that those auction proceeds produce.

And they don't audit any disbursement because we don't have any disbursements. When the time comes and we start

disbursing, then our auditors would start auditing also the disbursements.

In doing so, they would simply verify that we have correctly accounted for the disbursements that have occurred, but they would not necessarily verify that we have carried out the processes of evaluation for example in a very detailed fashion. They would not certify specifically that specific aspect of the disbursement process. they would simply validate that our financial statements correctly reflect the assets of auction proceeds still held and that the disbursements that have occurred have been correctly reflected in the [inaudible].

If we would [inaudible] separately from that annual independent audit, that someone specifically audits that the disbursement processes for example have been carried out as per defined requirement on either disbursement by disbursement basis or on a project by project basis, that would be separate from the annual independent audit. It would need to be specifically requested and organized as a separate engagement with auditors that could be different than the annual independent audits that we use for the annual independent audit, and it would be separately paid for, it would be separately designed and carried out, but it's entirely possible. But that would not be something that would necessarily happen as part of the annual independent audit that ICANN carries out on an annual basis. I'll stop here. I apologize for the long answer, but I wanted to be clear and specific. And if I'm not, please let me know.

ERIKA MANN:

Yeah. Thank you so much, Xavier, for the detailed answer. I was the chair person and I worked with Xavier for many years on this one, on the audit committee. So Xavier's absolutely right. I believe we have to look at this topic from the following angle: the independent auditors will continue to audit the auction proceeds as part of the auditing they do for ICANN, but there is a second question to it, and this is the second to last one Xavier addressed, and I believe that's the one we discussed at a very early phase, Xavier, when we started this working group. And the question is that once we have decided about a mechanism, so either part of ICANN or merged with a separate entity or as a foundation, then dependent on this, a different auditing process would have to be described and would have to be given to a separate independent auditor firm to ensure that all of the financial processes are correct and audited well.

So we will have to come back to this point, and I wonder, Xavier, and maybe in combination with the board, with Maarten who's here, you want to have a chat about this, and maybe when we pick this item up again so we put this on an action item again and we come back to it, maybe you can provide us with some answers, or we postpone it until the moment we have taken a decision about the mechanism, because then it might be clearer how we can respond to this particular comment from the BC.

Anybody who wants to comment on it? Maarten, please.

MAARTEN BOTTERMAN: The more specific you can be with what you actually would want to have answer on, the better. And yes, we'll be happy to do what we can to help.

ERIKA MANN: Perfect. Then I recommend the following, Joke. We postpone this topic, we put it on the action item list but we postpone it because we have to come back to it once we have taken a decision about the mechanism and because I'm pretty sure the answer will need to correspond to the mechanism. The audit will be different and the process will be different if it's part of in-house of ICANN, although even then they may want to recommend a separate audit for this particular fund, but it will be definitely different when it is outsourced or if it is merged with a separate entity.

So postpone, but come back to it once we have taken a final decision about the mechanism. Joke?

JOKE BRAEKEN Thank you, Erika. So we'll postpone –

ERIKA MANN: [inaudible] yeah, please, summarize the action item.

JOKE BRAEKEN Thank you very much. So we will postpone the discussion for now, but we'll come back to it once the mechanism has been selected.

ERIKA MANN: Thank you so much. And in the meantime, Xavier, feel free, please, to look into it and see what is the ideal scenario you believe should be established and the best practice in different industry environments concerning this item. Okay, Joke, back to you. Next item, please.

JOKE BRAEKEN So we have the fourth and last comment here from the NCSG where the CCWG is to consider encourage using best practices and standardized reporting formats utilized by other highly regarded organizations and foundations. These reports should be made publicly available. The leadership recommendation is to check the best practice models for reporting formats to be taken from already established models. Thank you.

ERIKA MANN: Yeah. I believe that's a point which we can put into the good governance basket, and then we will make a recommendation that the best practice model shall be picked up. So please, if there is no disagreement or other comment related to this item, just put this in the good governance meeting which we will have discussion next week with Elliot and myself.

JOKE BRAEKEN Thank you, Erika. I noted a sixth action item that the fourth comment will be added to the good governance basket and will be discussed by Erika and Elliot next week.

ERIKA MANN: Thank you so much, Joke. Okay, next topic, please.

JOKE BRAEKEN This was everything for charter question number nine. I will now go to charter question number 10. One moment. There we go, charter question number ten.

To what extent, and if so, how could ICANN the Organization or a constituent part thereof be the beneficiary of some of the auction funds?

So the overarching question is that, as a result of the input provided during the public comment period, should the CCWG reconsider its recommendation implementation guidance that the CCWG has not yet come to an agreement on, whether ICANN Org or a constituent part thereof should be a beneficiary of some of the auction proceeds, and as such would welcome input on this question during the public comment period so that an informed decision can be made? if yes, why? If no, why not? If it is not possible to make this determination at this stage, what input or information would be necessary to make this determination.

Then we have a first comment. Commenters mention that the CCWG is to consider whether a percentage or proportional allocation system could be established for each ICANN SO/AC.

The leadership recommendation is to check whether a basket model for assigning a certain percentage to SO/ACs shall get established, and check with ICANN Org, Legal and board whether this would be possible. Thank you, Erika.

ERIKA MANN: Joke, thank you so much. Yeah, that's a difficult topic, and this was brought up during our discussion before we came up with the original recommendation, and so we need to discuss this, and we have to come to a conclusion.

So the first is we need to have – actually, I'm checking is if Sam is with us. Sam, are you here today? No.

XAVIER CALVEZ: Sam could not be participating to the call today. She has a conflict.

ERIKA MANN: Okay. Have you had a discussion with her about this particular item? Because there are of course some concerns, legal concerns and some other kind of concerns. So, what do you want us to do? Shall we just postpone this topic and wait until she is with us, or shall we move forward and get an understanding between us? I'm happy to move forward, but I just want to ensure that we are as closely aligned as possible.

XAVIER CALVEZ: Erika, I would suggest you pursue the conversation on this comment and that if there is any specific aspect that we all feel need to be validated with Sam's help, we can take that for her to review separately and come back to the group later if that's okay with you.

ERIKA MANN:

Okay. That's fine with me, then we have an understanding between us first and can see how the discussion goes and what kind of [opinions are shaped] ion this group, and then we have a more consolidated path forward. I agree with you.

Okay, so let me see if somebody would like to comment on this. Nobody today, you are silent? It's a very important part. We have to keep in mind that of course, if SO and ACs are already – so either funded through the operational budget, then we will have an overlap with the work the small group is already doing and looking into it, so we may have a clash with the discussion the small group is having, but otherwise, it remains an important topic.

So, no comment from your side? Okay. Vanda's saying she prefers to have legal comments and input. Judith is asking what kind of topic we are discussing, which comment. Joke, maybe you have to just again explain the context of this question we have to take a decision about and then maybe just frame the discussion again and read the topic which we have to decide upon again, please.

JOKE BRAEKEN

This is regarding charter question number ten where José Alberto Barrueto Rodríguez commented and mentioned whether the [inaudible] should consider whether a percentage or proportional allocation system could be established for each ICANN SO and AC.

And then the leadership recommendation is whether a basket model for assigning a certain percentage shall get established and to check also with ICANN Org, Legal and the board whether this would be feasible. Thank you.

ERIKA MANN:

Yeah. I believe a basket model is maybe not the right approach, so what I would recommend to follow Vanda's approach and we postpone this item. I have to apologize, but I believe we have to postpone it. We need to review it completely in the leadership team and we need to have a quick discussion with Legal about this item before we frame the topic in the right way, because we need to gate it in the legal boundaries ICANN will have to have, and then we can continue and frame it in the right way. So Joke, we have to postpone this item, we can't have it discussed today. It makes no sense.

CAROLINA CAEIRO:

Hi, Erika. May I [inaudible].

ERIKA MANN:

Carolina, of course. Did I not see you? Apologies.

CAROLINA CAEIRO:

No, I actually didn't raise my hand. I was worried we would pass on before you had a chance to see my hand up.

ERIKA MANN: Please go.

CAROLINA CAEIRO: So I'm relatively new to the ICANN community, so I'm a little unclear as to whether SOs and ACs received funding from ICANN. You just mentioned something about the operational budgets. So I think it would be useful to have a bit of a sort of context, information maybe from Sam or Xavier about what sort of the current situation is for these bodies, and for us to sort of get a sense of whether we should think about allocating funds from the auction proceeds to these entities or not.

So again, emphasizing that I'm new to the community, and I think this would be important information for us to make a decision.

ERIKA MANN: Yeah, we can do this, Carolina. That's a topic we have to review carefully. Keep in mind we don't want to move back to the original discussion we had and we don't want to repeat debates and discussion we already had and decisions we have taken. So this particular work we are doing right now is commenting on comments and advice we received during the public comment period. So we have to be very careful how we approach this, because if we come to a totally different recommendation, we probably have to go for a second comment period, and everything will be postponed again. So we have to be very cautious, but I agree with you, we have to approach this topic very carefully, we need to have a clear understanding what would be even legally

possible and what would be within the ICANN bylaws and would not stretch the ICANN bylaws or require redrafting of the bylaws.

So we have to do this very carefully, so I agree with you we will take this back, and the to-do list would be, Joke, we review it in the leadership team, we need to have a clear reply as well from Sam about the possibilities and about this request, and then we bring it back to this group and we do it ahead of the next call so that everybody has enough time to review the leadership recommendation ahead of the next call.

MAARTEN BOTTERMAN: Erika?

ERIKA MANN: Yes, please, Maarten. [inaudible] your hand.

MAARTEN BOTTERMAN: Yeah.

ERIKA MANN: Oh, there you are. Apologies.

MAARTEN BOTTERMAN: Yeah, the system is full of surprises. It can do more and more and therefore confuses more and more as well. But overall, I'm happy about the system.

I just wanted to make sure that people have in mind what we said about this, and without preempting Sam's legal advice for sure. We established already that SOs and ACs as such couldn't apply because they're not legal entities in their own right. So therefore, we couldn't get them to be funded for their activities.

But I wouldn't preclude consideration of application from structures that are established legal entities outside of the multi-stakeholder model as long as the request does fulfill all of the other conditions such as not covered by operational [inaudible] conflict of interest and in line with the mission.

So I just want to make sure that that part is pretty clear and that we don't forget that when moving forward here.

ERIKA MANN:

Thank you, Maarten. I agree with you, we have the board advice concerning this topic, and I believe it's pretty clear, but because it's a little bit broader, the way the topic is phrased here, and covers the constituent parts, so we want to ensure that we reply to it correctly.

So Joke, are you able to summarize the to-do?

JOKE BRAEKEN

Thank you, Erika. Regarding the first comment regarding charter question number ten, this will need to be reviewed in the leadership team and feedback is required from Sam about the possibilities regarding this request. Thank you.

ERIKA MANN: Based on the general decision and recommendation we already have received from the board, and so we would only need a quick check from Sam if/when she reads this question if there is any other point she wants to raise in this regard to the original advice we received from the board.

We can discuss this afterwards, the topic, Joke.

JOKE BRAEKEN Thank you, Erika.

ERIKA MANN: Are you still there? Yes, there you are.

JOKE BRAEKEN Thank you, Erika. Absolutely, so I will send you a short overview of the action items after the call.

ERIKA MANN: Perfect. Are we having another item on the agenda, or are we done today with ten?

JOKE BRAEKEN So regarding charter question number ten, we just discussed a first comment, but we have ten comments here.

ERIKA MANN: Okay. Let's go as quickly as possible so we get this done. I'd love to conclude the ten.

JOKE BRAEKEN So regarding comment number two from the BC, CCWG to consider support for projects to be developed and submitted by ICANN constituencies and SOs/ACs, but not from SO/ACs who are directly affiliated with ICANN.

CCWG to consider asking for a clarification as it is not clear which AC/SOs are not directly affiliated with ICANN. That is a comment that has been added by staff, but there's no further leadership recommendation here.

ERIKA MANN: Okay. Put this to the same topic item we just discussed. It's not directly related, but it's similar and we need to discuss it. And we make a recommendation in two weeks' time to this group, [we'd] have to turn this down because it's not clear enough or we understand we can go back quickly to the BC, just trying to understand. I don't believe anybody from the BC is here today. And then we can quickly finalize the recommendation to the group. So put it in the same basket like what we discussed before, and take it off from today's agenda.

JOKE BRAEKEN Thank you, Erika. I made a note of that. So let's move to comment number three by the NCSG. The CCWG is to consider a position

that ICANN Org should not receive any of the auction proceeds. There's no leadership recommendation here.

ERIKA MANN:

Yes. I believe we take this off the agenda because we had a long discussion about this and it was made clear by the board that the board is overseeing the budget and like they have done in the past, if they do need access to this amount, they will do so. I'm not very diplomatically correct right now, but this was pretty much what was said. And I don't believe we should have a discussion about it.

That's something which SO and AC really will have to discuss on how they want to take this forward in the future with the board, and I don't think that we need to discuss this topic here. But I want to see if there are comments about this item. There's something from Julf coming up. Yeah.

Jonathan, you were very vocal about this item in the past. Would you want to repeat your comments about this, or are you okay with the general point I just made? Or have we lost you already, Jonathan? Yeah, I believe you're not here.

Yeah. Exactly, Maarten. It's the decision of the empowered community and not of this group. I totally agree. So let's take this off the agenda. I believe we have an understanding here, and take the next item, please.

JOKE BRAEKEN

So comment number four, the CCWG to consider whether At-Large structures, ALSes and individual members should be able to apply for funds. This was a comment made by ALAC and the leadership recommendation is to check whether this is legally even possible.

ERIKA MANN:

Thank you. Put this to the first discussion topic we had about this item. We check and we have a discussion, leadership team, and check with Sam and review the advice we have received so far, and if we come to the conclusion that there is a possibility, then we will come back to this group and make a recommendation how we can deal with this topic. I don't believe it is, but we have to check it. Joke, goes to the same basket as the first point concerning topic ten.

JOKE BRAEKEN

So I've made a note that this discussion will need to be postponed, it goes to the same basket as the first point, needs to be verified with the leadership team and the leadership team will need to review the advice received so far, and if we come to the conclusion that there is indeed a possibility, we can come back to the CCWG.

ERIKA MANN:

After review and after having a discussion with Sam, yes. Agree. Okay, please.

JOKE BRAEKEN So let's go to comment number five by the RrSG. CCWG to consider not allowing use of any auction proceeds for ICANN Org or constituent part thereof. Leadership recommendation is to check if it is in conflict with ALAC point number four, and this point needs to be deferred and clarified.

ERIKA MANN: Yeah, same basket, take it off the agenda from today.

JOKE BRAEKEN Okay, let's move then to the next comment by Anne Aikman-Scalese. The CCWG to consider whether failure to place the grantmaking function outside of ICANN Org will automatically restrict the ability of such applicants to receive grants due to apparent conflicts of interest and should be strictly avoided.

The leadership recommendation is to check whether this is legally even possible. thank you.

ERIKA MANN: I believe the leadership recommendation is not really responding to the original point. Maybe I made a mistake here, because I believe it is addressing maybe the previous topic. So I don't really understand even the question reviewing it again. So CCWG to consider not allowing the use of any auction proceeds for ICANN Org or a constituent part thereof. It falls definitely in the same discussion, so we can put this into the same basket, and we have to clarify the item. I believe there's some confusion here, Joke, and I don't believe we can sort this out right now, because we're

not able probably to review the original recommendation we made under the full text which was put forward, because this is just a short excerpt of the text, so I'm worried that if we take a decision here, we may make a mistake. So let's take this off this item. Or can you guide us to the complete recommendation what we have asked and the precise full text and the full response of this comment?

JOKE BRAEKEN

Absolutely, Erika, and the documents that I'm sharing, which you will also be able to find on the Wiki, there is the summary which we are discussing now, but at the bottom of the document, you will be able to see the full text and the full comments as submitted by various people. So I've pasted in the chat the charter question number ten and what the preliminary recommendation is by the CCWG.

ERIKA MANN:

Can you be so kind, because I can't do it, just to read the full comment which we received?

JOKE BRAEKEN

The full comment made by Anne Aikman-Scalese?

ERIKA MANN:

Yes.

JOKE BRAEKEN One moment, please.

JUDITH HELLERSTEIN: Also, Erika, I had my hand up for the previous point.

ERIKA MANN: I'll come back to you, Judith. I have to learn how to see all the hands up. Apologies for this. Joke, go first and please find it, and then I'll go back to Judith.

JOKE BRAEKEN Okay, so the comment by Anne Aikman-Scalese is as follows: regarding recommendation number five, if mechanism B is selected, recommendation on three and four are much easier to accomplish, and it would be much easier for a member of an ICANN stakeholder or constituency group to apply for and qualify for an allocation of funds. Failure to place the grantmaking function outside of ICANN Org will automatically restrict the ability of such applicants to receive grants due to apparent conflict of interest and should be strictly avoided.

ERIKA MANN: Understood. Thank you so much, Joke. So what we have to do here, we have to postpone this as well. So first we need to take a decision about the mechanism. Once we have taken the decision about the mechanism, we'll have to review this comment. It's the second item which we have today where we will have to wait

before we discuss this topic even. We don't want to have a virtual debate about something which is maybe not applicable.

You clear about the action item, Joke?

JOKE BRAEKEN

Yes, Erika. I've made a note that we'll first need to take a decision on the mechanism and then further discuss the topic.

ERIKA MANN:

Thank you so much, Joke. Judith, back to you, please.

JUDITH HELLERSTEIN:

Yes. So when you're discussing the ALAC position, I think in the point in the comment number five and comment number four, the comment number four was that ALSes that are part of At-Large are also – many of them are individual entities that may or may not have specific nonprofit status. So the question is, on those, as the entity, some of those could apply, not necessarily – and that's not related to the legal definition of whether ACs or SOs could apply for money.

So I think there's a conflict, a confusion in the two points that were mentioned in our comment four and the comment five of the leadership recommendation. So I think that should be made clear, because what they were talking about there was that the separate entities that are also members, could separate entities apply? Because they're not connected, they're not necessarily part of the ICANN Org or the ICANN constituencies. They're members. They

are separate entities to begin with beforehand who have joined, so many of them already are 501(c)(3)s or nonprofits or something like that.

ERIKA MANN:

Yes. Thank you so much, Judith. I believe that's understood. You are right, and that relates back to the question which we discussed beforehand and where Maarten rightly pointed out that we had received some advice from the board about this topic, and indeed, the point was that SO and AC will not be able to apply for the fund, but that constituents part which have legal entity and which are legal individual entities would be able, but we have to check this, because I really want to get this right. So what we will do in the leadership team, not to take a decision, but we will just review and put this all nicely together, all the advice which we received already, we will cross-reference this with the comments we received concerning this topic, and we will have a quick e-mail exchange with Sam about this topic just to be absolutely clear, and if needed, with the board, and then we will bring this back to this group in an orderly fashion. At the moment, we're a little bit guessworking here instead of providing you with the clear path what kind of decision actually we have to take and what can be done and what can't be done. Is this okay with you, Judith?

JUDITH HELLERSTEIN:

Yes, it is. It just was – when we breezed past comment five, I think that that recommendation was not necessarily in conflict.

ERIKA MANN: Yes. Understood. I believe it isn't, but I just want us to check it.

JUDITH HELLERSTEIN: Yeah. Okay.

ERIKA MANN: [inaudible] and then we come back to you. Thank you so much. Joke, you followed the scission, I believe, so when we review all the action items, the points Judith just made, we can put them on our action item list so that we are really clear when we do the review. Yeah?

JOKE BRAEKEN Absolutely, Erika.

ERIKA MANN: Thank you.

JOKE BRAEKEN So regarding comment number eight, which is a comment by the ICANN board, the CCWG to further consider ICANN board's letter of 5 October 2018 as well as additional clarifications provided during ICANN 63. Leadership recommendation is evaluate and discuss this letter as soon as possible. thank you.

ERIKA MANN: Yes. This is one of the letter – I don't know if you remember, and because some of you are relatively new, just let me remind you,

we received this letter a few days before we actually published the recommendation for the public comment period. So we had no chance to look at it in an orderly fashion. Some of us picked individually, but not in this group, so we still have to do it.

Some of the topics are popping up right now, some of the advice we received from the board are included in this letter, but we haven't discussed that, we haven't found the time actually to discuss it, so we still have to do it.

So what I recommend to do, I would like to bring this back to the leadership team, Joke, just to when we review our workplan, maybe you can do this first with Marika, and you identify in the workplan a good spot when we can do this as early as possible, because some of the topics we are discussing were actually raised in the letter, so we don't want to postpone it too much in the future. Is this something you can do, maybe next week when you have the chance to sit down with Marika and discuss this?

JOKE BRAEKEN

Absolutely. I've made a note of this, and we'll discuss with Marika. Thank you.

ERIKA MANN:

Thank you so much. Okay, back to you, please.

JOKE BRAEKEN

This is the last question regarding charter question number ten. Comment number nine, the CCWG to consider whether any

further consideration needs to be given to replenishment of reserve funds by auction proceeds or whether that question has become obsolete as a result of the recent board action. This is a comment brought by the Registry Stakeholder Group and the BC. Thank you.

ERIKA MANN:

Yes, we take this off the agenda, it's similar to the topic we discussed before. I don't believe we need to respond to it, we just take it off. And just let me check quickly, Maarten is sending me something so I'll just see what he's sending to me, and I'll see if I can introduce it to this group.

Yeah, so Maarten is just saying that if we have concrete topics we like the board or ICANN Org to review, to send it to them. Yeah, we will do this, Maarten, like we have done in the past, but I'd just like the leadership team to review all the topics we discussed today where we had the recommendation to put this back to the leadership team and then come back to this group. So we will do this, we will review all of the comments sent to us which we couldn't take a decision upon today, and then we will phrase the question absolutely crystal clear to you and we'll send it to the board, and we'll send it to Legal in case we have a question which hasn't been answered yet. But first of all, we need to check whether it has been answered or whether we don't want to have unnecessary questions which have been answered already.

Okay, Maarten, I'll follow what you are typing here, and in case I want to pick it up – you're just saying "Good." Okay. Done. Thank you so much, Maarten.

So Joke, have we finalized all of the topic for today on our agenda?

JOKE BRAEKEN

So indeed on the agenda, we included up to charter question number ten, but if you prefer, we can continue with charter question number 11. We still have –

ERIKA MANN:

I prefer we finish here today and then we pick up 11 and 12 and the other one next time. I think it's a lot we have on our agenda to manage which is left over from this time, so let's not overburden our work. So, can we go back to the agenda just to check what is our next item on our agenda? I have to go back to Andrea now, I believe, yeah?

So we have to confirm the next steps and the next meeting. So the next meeting is of 8th of May at 2:00 UTC again, and the next steps, I think we discussed already on you will receive from our staff team the follow-up of all of the topic items discussed today and the action items. So I don't believe we have to discuss this again.

Concerning Marrakech, we had a short exchange in the leadership team, and Marika mentioned that in currently, we have preliminary three-hour slot, but it's not confirmed yet, so we are still waiting for confirmation so let's cross fingers and have a chat with your SO and AC so that leadership there is understanding it would be good to have a longer meeting this time so that we can finalize our work.

Joke, any other point we have to discuss today which I have forgotten?

JOKE BRAEKEN

Hi, Erika. No, I don't think there is anything that we overlooked. So as you mentioned, staff will indeed share the notes on the mailing list after having reviewed the action items together with you.

ERIKA MANN:

Okay. Thank you so much. Then anybody else who would want to raise a different item or topic? No? Okay, then I wish you a great day, rest of the day or good morning, and I give back to Andrea. Andrea, please.

ANDREA GLANDON:

Thank you, This concludes today's conference. Please remember to disconnect all lines and have a wonderful rest of your day.

ERIKA MANN:

Thank you so much.

[END OF TRANSCRIPTION]