ICANN Transcription

GNSO Temp Spec gTLD RD EPDP – Phase 2

Tuesday, 12 May 2020 at 1400 UTC

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TERRI AGNEW: Good morning, good afternoon, good evening, and welcome to the GNSO EPDP phase two team call taking place on the 12th of May 2020 at 14:00 UTC.

In the interest of time, there’ll be no roll call. Attendance will be taken by the Zoom room. If you’re only on the telephone, could you please identify yourselves now?

Hearing no one, we have listed apologies from Matthew Crossman of the RySG and he has formally assigned Beth Bacon as the alternate. Also, Margie Milam from BC will join the first portion of the call, and for the second portion, Steve DelBianco will take over. All members and alternates will be promoted to panelists for today’s call. Members and alternates replacing members, when using chat, please select all panelists and
attendees in order for everyone to see the chat. Attendees will not have chat access, only view access to the chat.

Alternates not replacing a member are required to rename their lines by adding three Zs to the beginning of their name, and at the end in parentheses, their affiliation, dash, “alternate,” which means they are automatically pushed to the end of the queue.

To rename in Zoom, hover over your name and click “rename.” Alternates are not allowed to engage in the chat apart from private chats or use any other Zoom room functionality such as raising hand, agreeing or disagreeing.

As a reminder, the alternate assignment form must be formalized by way of the Google link. The link is available in all meeting invites towards the bottom.

Statements of interest must be kept up to date. If anyone has any updates to share, please raise your hand or speak up now.

Seeing or hearing no one, if you do need assistance with your statements of interest, please e-mail the GNSO secretariat. All documentation and information can be found on the EPDP Wiki space.

Please remember to state your name before speaking. Recordings will be posted on the public Wiki space shortly after the end of the call. As a reminder, those who take part in ICANN multi-stakeholder process are to comply with the expected standards of behavior.
Thank you, and with this, I'll turn it back over to our chair, Janis Karklins. Please begin.

JANIS KARKLINS:

Thank you, Terri. Welcome, everyone, to this call with ICANN Org on the topic of cost estimate of SSAD. Let me maybe suggest that at the beginning, we will ask Xavier to walk us through the paper registrar groups, and after that, I will open the floor for any in relation to the discussion paper.

Would that be acceptable? So I see no hands raised. Maybe before giving floor to Xavier, just one also remark from my side. I think the discussion paper and this cost estimate is—or at least in theory—should inform our own policy discussion about financial sustainability. And before this paper was released, we were talking in abstract, we did not have any idea what amount of funding we’re talking about. Now we have at least something on the table. Xavier will now introduce the document and maybe explain the methodology behind it. After that, it would be up to us to think in what way we could use the document for our further deliberations on the financial sustainability of SSAD.

With these words, I would like to invite Xavier to walk us through the paper. Xavier, please.

XAVIER CALVEZ:

Thank you, Janis. This is Xavier Calvez, [as probably I know a number of you put for anybody else on the] CFO of ICANN. I've worked with our internal team here who supports your work on an ongoing basis as well as a number of employees of ICANN with
expertise in similar types of management assistance to work on this question that’s been asked from us. And these people are participating to the call as well, and of course, will jump in with any questions but I will stay relatively high level at first so that we can spend the most time on questions.

First, we thank you for the opportunity to help your group in the design, as Janis just said, by developing costs in any circumstances of a new design or new service or new product line. When you’re in the for-profit world, assigning costs to that new endeavor is a helpful exercise that helps further design, further refine, further define the product or services or model. And Janis just indicated it and I was going to say the same thing: this exercise at this stage of design where it still remains very conceptual is we see the value of it as helping that design, in helping your work in order to finalize a model, and potentially, of course, identify any gaps, any flaws possibly, or help confirm the design that you are putting together.

So from that perspective, the exercise that we’ve done is of course also not a quote for example, it’s not the budget of an implementation plan either. It is also not an RFP basis in the sense that there would be a lot more specifications that would need to be developed and a lot more detail that would need to be available in order to do any of those types of exercises.

As a result, what we have produced is more valuable by the assumption that it offers than by the actual numbers. Of course, the numbers result from the assumptions and the numbers help see the outcome of the design and the assumptions that have been developed. If a number appears that it triggers question,
what should be obviously questioned or the assumptions or the model, or a combination, of course.

And as I said, at this point, the information relative to the number should be viewed as directional. There’s no precision in this. There’s no accuracy at this level, at this stage of development of what you are working on. This is all very conceptual at this point, and there’s a number of very specific information that would need to be added on across the entire model to be able to develop anything more precise. But of course, as Janis said earlier, this is not yet the point. We are early in the process of costing in the costs at this point, or helping the design.

So with that, just want to go through the introduction very quickly. A lot of what is in the introduction, I have already said. We just want to point out to a number of limitations that we wanted to make sure are clear as part of this exercise. There’s no potential in likely contracted parties costs to operate in this model, to participate in this model, that have been included in this cost estimate. Not that we couldn’t potentially do it, it’s simply that we left it simple at this point and the contracted parties that would need participate to this model of information transfer, we have not tried to estimate their costs. That’s a clear limitation from a policy standpoint, of course. There would be some need to understand what those costs could be down the road.

In addition, there is a significant area of the model that does not currently have enough specifications to be able to model the costs effectively, and we have made a very rough attempt by similarity rather than designing specifically the costs for it, which are the validation of the assertions that are being requested from the
requestors to validate what they present themselves to be, and their requests to be.

Until those assertions are not known, and not known of course to be verifiable and how to verify them, then it’s extremely difficult to be able to quantify anything about those descriptions. So you may have seen already in the model some questions relative to that. And I think I'll leave it at that at this point. Obviously, those limitations are very important because they affect significantly the costing of the model, notably as volume of requests would be formulated.

I will leave it at that unless there’s any specific questions about the introduction. I think most important is to go through the assumptions that have been developed, and for that, I'm assuming everyone has read the document, but maybe not everyone has had a chance to. So I will ask Francisco Arias who is the person behind the evaluation of the model that's worked a bit more specifically on the systems assumptions to go quickly over those assumptions to make sure they're clear to everyone, and then we can later on, as Janis offers it, to ask questions about it, and later on, in the next paragraph, we'll ask Aaron Hickman who worked a little bit more on the systems and the services—sorry, assumptions to go over those assumptions because those are really important to also understand why the costs are what they are. And then we'll go over the cost model at a high level.

Francisco, can you please go over this page that we’re looking at right now?
FRANCISCO ARIAS:

Sure. Thank you, Xavier. As Xavier said, we had to come up with some assumptions in order to provide you with this cost estimate. With regards to the systems, we are considering there will be two separate systems, the central gateway and the accreditation authority.

We are considering that for in both cases, there would be full outsourcing of the development and operation of the systems, that would be completely done outside of ICANN. That’s the first assumption there.

Then the second assumption is that it will take nine months approximately to do the development, both systems. We’re thinking they will be done in parallel since we’re thinking that they will be done by two separate entities. And after that, because the systems need to talk and there has to be some integration testing and we’re thinking that will take another three months. Again, this is a very high level estimation at this point, of course.

So we have a total of 12 months in order to have both systems in place and have the systems ready to be used. Then the third assumption is in order to do the estimation, we use our past experience in how we have done the systems, or systems like this, I should say, and we calculate the complexity of the systems, the subsystem components and put a price of $200 per person hour for the outsourcing of the work. But I should say we are not expecting—we’re expecting that most likely, these will be fixed price cost like most of the projects that we tend to do. But we use this in order to guide our estimations and we have used that for other work, so we thought it would be something that will be useful.
Then the next assumption is for the server maintenance cost, which is one of the components of the ongoing operational cost. We estimated a percentage of the development cost, and I believe we made a mistake here. That’s probably my mistake. It says 10%, but we used 30%. So that’s a typo in the paper. I apologize for that, that’s my fault.

So we used 30% of the server maintenance cost for the maintenance of the system. There are other costs that we of course took into account for the ongoing yearly cost, like bandwidth and the need to have system engineers maintaining the system, and a couple of things. But that’s an important assumption that we made in terms of considering the server maintenance cost, which is the cost to fix a box and small [inaudible]. To be clear, we are not considering the cost to add any new functionality, so if there was a new thing that wanted to be tried in the policy, then that would have to be cost separately as a new project.

Then the fifth assumption for system is that both the central gateway and the accreditation authority will be developed and operated by two different entities and they will not be operated by the same entity. Also, we’re considering there is a minimum cost for the systems to be administered, so we added that in the operational costs. Like I said, it’s not only server maintenance but someone has to keep the systems working and so we have a minimum cost on that.

And finally, considering the SLAs are in the initial report that went for public comment, we assumed that the SLA for the system could be something in business hours given that the SLAs for
response time for [inaudible] session is in business days, which we didn't think it made sense to have SLAs for the system that will be in the 7x24 or something like that. So that's important to consider in terms of the costs that we are showing to you in the system side, because it will be very different cost if the SLA were different.

So I think with this, I return it to you, Xavier.

XAVIER CALVEZ: Thank you. Janis, just want to check with you at what point of time you would prefer to have questions being asked. This was a section about systems—

JANIS KARKLINS: I think if you could walk us through everything you wanted to say, and then we will open Q&A.

XAVIER CALVEZ: Sounds good. Thank you. Aaron, do you want to take the next section on the services assumption?

AARON HICKMAN: Sure. Thanks, Xavier. So the services assumptions, there's a few more here than the system assumptions. I think the general area here fairly well speaks for itself. This is really more about how we would obtain the various different service providers via standard RFP. The note there is just that with a competitive process,
sometimes costs could go lower or higher just depending on what's going on there and who participates in the RFP.

The blended rates that we came up with were 150 to 200 just depending on the function. That also could vary depending on who participates in their jurisdiction and so forth, and then we figured roughly a five-year contract for the standard providers.

In the identity section, we came up with the idea that we probably need at least three identity providers and we did estimate three in the model to provide global coverage, as I understand, the requirement of being able to identify any legal person or natural person around the world, so we'll probably need a few large global providers to provide that coverage.

Each individual entity that's providing identity services will need to provide all the services specified in the recommendations, but of course, they're able to subcontract those functions as needed. Again, that might come in handy with respect to coverage, needing to subcontract out to other parties around the world.

Probably the biggest or most important one to discuss here is how we identified or modeled the identification cost. What we really looked at was similar activities that occur in the world by certificate authorities. So there's a range of costs that we saw in the marketplace and used that to sort of really trigger the transactional cost associated with accrediting an individual with regard to identity. It is not incorporating things like a background screening or a check of good standing or things like that with regards to a legal entity. That might happen during, say, the registrar accreditation process.
And then the next couple are really just about how we assume that the identity providers will have upfront costs, so they'll need to identify, design and implement operational processes, training plan, recruit, train staff, etc.

We're also not assuming that there is an ongoing verification, meaning as specified by the question and answer that we exchanged with the EPDP group, there will be a one-time identification process that occurs every two years.

I did note that costs are likely to vary by jurisdiction as well, but we really just smoothed that out and provided a general range in the estimate.

Lastly, with regards to audit, we certainly would want to look for an audit provider that isn't conflicted by being a user in the system. That could be tricky, but there's a lot of providers who probably won't care about this particular system or won't participate at least. We had to estimate audit costs on a ten-year average, and that was primarily due to the request by the EPDP that auditing be more aggressive in the first few years. For example, the specification from the group was I think four audits in the first year, two audits in the second year, and annually thereafter. So rather than providing just a one-year cost, we did a model out over ten years and gave you an average for that.

Also noted in number 12 there that we assumed that there'd be some upfront costs for auditors to perform sort of a setup in their process to determine what to audit. And then the last item is with regards to the audit process for gateway users, we really conceived that as primarily a review of the system logs that are
generated by the system, so it's primarily going to be a data exercise and analysis exercise.

We didn't model out that an auditor would conduct onsite visits to say large entities or anything like that, reviewing of private systems to verify that data was destroyed or anything like that. Obviously, that could be modeled out if required or requested. With that, I'll turn it back to you, Xavier.

XAVIER CALVEZ: Thank you, Aaron. There’s a number of general assumptions here that pertain to both systems and services that I think are also important to understand, and those assumptions are relative to, of course, the model. They may come sometimes from information that had been defined in the model, or resulting from the questions that we asked a few weeks ago that you provided answers to. I’ll go very quickly over them. The specification of the systems are of course expected to be open standards. There's a sentiment of relative to the model of how to operate this system, we are estimating that the costs for contracted party systems have, as I said before, not been included in the model. This is here.

There may be also costs for the requestors themselves, which we have not tried to evaluate. And I've seen there's a question on the next point. We have not as of yet tried to model the fee recovery model for the operation of the system in process. There were a couple questions, I think, about that, which obviously would need to be determined. At this stage of the development, we haven't tried to see how the fee model would be constructed, nor where the source of funding would be, and this is obviously something
we can do further down the road and that would probably need to be done further down in terms of design, even to simply confirm the model and finalize the model for public consumption since the public would probably need to know how the funding of this system would be operated as well as what would be the fees potentially for the requestors.

There’s a number of other assumptions here. I don’t want to take too much time on this because I want to make sure we have a chance to [inaudible] obviously letting questions be asked. I have already spoken about some of the challenges that are in section three, notably the assertions that appear on 3.1.1.3, [inaudible] complex numbering.

There’s a number of challenges that are also listed here in 3.1.1.1. The costs obviously may be varying by jurisdiction. We have not, as you probably understood—and I think I said it earlier, we have not carried out any type of RFPs, for example, to perform this evaluation. We have made high-level assumptions and have not distinguished those costs at this level by potential jurisdiction of operation of this model. So of course, there’s a limitation there as well.

We have indicated also a couple of options or one option of alternative model that could be considered to the one that we have assumed or approached [considered to] the one that we have assumed here. Just as an indication of interest and that could be the subject of a variant to the model and to the costs.

Next, section five, please. So at a relatively high level, we have broken out the costs between developing the system and
operating the system and the left column called “setup” here is the one of development, the one-time implementation of the systems and putting in place the processes and being able to operate day one this system to receive requests.

The yearly costs are by definition the cost of operating on an ongoing basis the system and be able to sustain the level of requests that has been offered as an assumption per year.

You probably have seen that we've broken out between the upper and the lower part of this table the very direct costs of operating and developing systems and processes from the lower part which is the time of the resources that actually manage that development. So when we have assumed that there would be an outsourcing of the development for example on the gateways and in systems, someone needs to define what that development needs to be, someone needs to manage the project of development of those external outsourced vendors, someone needs to provide [instrument of design,] etc.

So there's obviously technical and project management oversight that needs to be done. Someone needs to organize this process and project and bring it to completion. Like any organization that would do this work would have their own overheads, expenses, I'll explain very quickly how we've carried that out. We have made estimations of percentage of overheads, which is usually how the cost model is done, to apply it differently to the setup on one hand and the annual cost on the other hand. When you look at a very defined project like building this model, we've put a relatively low amount of overhead simply because the costs are much more direct and specific to the project. For the annual costs which are
the ongoing costs, “forever” of operating the system, we’ve put a standard type of overhead percentage which obviously covers everything from finance support, HR, Legal. All the overheads, administrative costs that any organization has to operate its activities and applying some of that to the direct costs that are above so that this expense is also covered into the cost and making into full cost from that perspective.

And we see this as anyone, whether it’s ICANN or anybody else would do this would have their own overheads. So we’ve tried to use a relatively common percentage and you see that information here in the documents and the assumptions.

We also have put a contingency. Not everyone may be used to see this component into the—can we stay on the full table, please? Just because I think it’s important to relate the amount of the contingency.

So the contingency is an unallocated, undefined amount of costs included to the cost of the model simply to reflect the fact that the further out we are, the more early we are in the process of designing and development, the more uncertainty there is. And of course, the contingency is something that’s even more so important when the endeavor of building a system is about a new system or something that’s not really been done before or not been done by the organization that does it.

And when of course there’s a lot of customized design that is being done, you also want to have a relatively significant contingency to reflect the fact that there’s a lot of uncertainty and unknown about the given project. So we have reflected a
contingency that’s from memory about 30% of the direct costs. It may sound high to many of you. This is actually quite customary. The more a project is customized and unknown and “unique.”

There’s also a contingency applied to the annual costs simply because again, at this stage of the design, it’s difficult to have any certainty about what activity it will take, and some of this activity may depend on further design of the model. So for the sake of completeness and as a principle, we have both added a smaller amount of contingency of 50% to the annual costs. And that completes those costs. You see, it may seem coincidental to you that the total setup costs and the total annual costs are actually quite similar. It’s an interesting coincidence that I have seen a number of times in the past. So and the components, of course, are different to it, but I’ve seen that happening before, interestingly.

I would like to stop here, Janis, and be able to then address any questions or comments from the group now that we have whatever amount of time you want to dedicate to this.

JANIS KARKLINS: Thank you very much, Xavier, for presentation, and also to your colleagues. So now, the floor is open for any questions or comments team members would like to raise at this point. Are there any? I see no hands raised so far. Amr.

AMR ELSADR: Thanks, Janis. Thank you, Xavier, and everyone else, for the presentation. I was wondering about the [time estimates] at the
beginning of this document. Nine months for development and, and I think deployment maybe, and then you had three months for testing, integrating with other systems. I was wondering how you came up with this estimate and whether the three additional months represented integrating and testing with contracted parties’ systems. I guess Francisco could probably help out. He’s got a lot of experience with this. Is this enough time to do this with all contracted parties if that is the case? Thank you very much.

FRANCISCO ARIAS: These three months are only considered integration between the central gateway and the accreditation systems. We did not take into account or estimated anything related to the contracted parties. Thank you.

AMR ELSADR: Thanks, Francisco. That’s helpful. And how about the nine months? I was wondering how you came up with that as well. Thank you.

FRANCISCO ARIAS: Well, like the rest of the estimates in the model, or at least the rest of the systems, what we did, we divided each of the systems, the central gateway, the accreditation, authority systems in potential subsystems that would be needed, like a web interface, authentication component and so on and so forth. And then based on our experience in developing systems, we estimated a level out of four, and with that, that’s how the estimation came. And not only in terms of the cost but also the time that we thought it would
take to develop. But again, this is a very high-level estimation, even the level of requirements we have at this point, and the amount of time that was put into developing this system.

JANIS KARKLINS: Okay. Thank you, Francisco. There was a long list of questions that have been submitted by registrars and registries groups. Question is, have you seen them, Xavier and Francisco, Aaron? Or shall I maybe pick a few of those questions and ask them now?

XAVIER CALVEZ: Janis, happy to start, and I know there’s other questions as well in chat, so we’ll try to go quickly through those.

JANIS KARKLINS: Thank you.

XAVIER CALVEZ: For the question relative to how did ICANN calculate the number of 20,000 users, this was an assumption that was offered by this group for our purpose of calculation. So that’s what we’ve used and we’ve not made any specific calculations about it.

The next point is about the 24x5 support, and we have simply made this assumption. It can be completely different. And of course, the cost would be affected by that. We currently operate a global support group that receives requests or that is being reached out to answer questions, and we operate that group on a 24x5 basis, 24 hours by five days, which is why we’ve simply used
that assumption. But of course, that assumption can be tailored to the needs completely easily. There's no difficulty there.

So the next two or three questions are interesting because they're an opportunity to actually "repeat" what we've said earlier about the high-level of this model. At this stage, we have not defined, other than when we have specified it, what part of operating this model or developing this model would be internal versus external. We have not tried to calculate headcount for example. You have seen that we have applied percentages to quantify project management and oversight as well as overhead. So this is very normative type of exercise and we have not tried to be specific as to how many headcount and what qualification of that headcount, and whether those resources should be internal or external, distinct.

Down the road, if we would be carrying out a more full and comprehensive and detailed implementation plan, for example, that's the type of questions that we would have an answer for at that point.

I think that similarly, the next question on where does ICANN expect the data to be hosted, is not from location standpoint something that we have necessarily defined, but I'll let Francisco add any qualification that he thinks he can to that question.

And the next two questions are relative to the cost model, which as I indicated earlier, we have not yet addressed, and certainly understanding what the funding of this needs to be and where it comes from is obviously very important as well as how to define the costs of the per request cost or user costs of the system is of
course something that needs to be done, but we have not yet done that exercise at this point.

From my perspective, I think it would make sense to wait a bit for a more refined view of the model to be able to then calculate the fee so that we have a more comprehensive basis to calculate those fees. If it would be ICANN operating this, of course, fees would need to be based on a cost recovery approach in the sense that ICANN would want to ensure that over a given period of time, the fees collected allow to recover the costs of both having developed the system and operating it on an annual basis.

So I won't go in then details of that at this point, but happy to discuss that further down the road. And I think that there is the point being made in this second to last point that starts with—this one, yes, thank you. Definitely agree that this requires a cost-benefit analysis, and we would be happy to carry that out down the road as this group desires. And I think the last point here is, does contingency cost include any legal risk, [inaudible] contingency funding?

It does not. We have, I think, spelled out as an assumption. I may simply have not gone over that, that we have not assumed in this model any cost by exception of litigation of accountability mechanism that would be triggered by any decisions, following any decisions made on the basis of this model to grant or not grant a request for example. There would be obviously people that if requests would not be granted, that may take action as a result of not being granted their request. We have not assumed in this model any recovery of litigation accountability mechanisms that ICANN has in place in this model to either address those
mechanisms, to participate to potential litigation that ICANN, if it would operate this, would be the subject of. So none of that has been taken into account, and the contingency is not aimed at covering that. The contingency is aimed at covering costs that are not known today to either develop or operate the systems.

I think we have further questions down in the list of the active log that we can tackle. Francisco, can I ask you to address Stephanie’s question about the separation between the accreditation and central gateway?

FRANCISCO ARIAS: Sure. I think we—since they are separated functions in the model, we estimated that they will be done by separate entities. They are also different type of functions, accreditation authority doing the accreditation, that’s a very specific function that has little to do with the central gateway which is something we thought could be basically an automated system without the need of anyone operating anything there, all the functions in the central gateway could be automated. That’s one of the assumptions given what we saw in the initial report. On the other hand, the accreditation authority, it’s heavy on process, [it] probably would need people to do work in terms of identifying or accrediting people that [is make up] things that are not necessarily automated. So that’s [inaudible] why we thought it [did] make sense to have them as two separate functions or systems.
Thank you, Francisco. Be ready to complement what I'm going to say on the next question, which is relative to whether ICANN has currently under contract any providers that would be able to develop any of these services. I'm assuming that the question from Matt is both about the development of the systems themselves as well as the operation of the system, so Francisco and Aaron will provide more to what I'm going to say, but what I'm going to say is simply that from a process standpoint, ICANN I'm developing this, if it would, would carry out a number of RFPs relative to the different types of services that are being offered or that are viewed to be required to both develop and operate.

So you've seen for example that we're assuming three different parties across the world to be able to collect and process the requests. Those would be outsourced. We would do RFPs for that. We would also do an RFP for a number of development aspects of the systems and it could be one or several RFPs, RFP being request for proposal. It's a competitive bid to request providers to offer solutions and cost estimates to a job or a service that we would request them to bid on.

So we would carry out that type of process. With that, I'll let Francisco indicate whether we have anyone that we use [that we think] could do the work, and I'll ask Aaron to comment on that as well afterwards relative to the services part. Francisco.

HI. So in terms of system development, I think we have some contractors that may be able to do the work, but as Xavier said, even the amount of money that we are estimating, this will
probably need to be a competitive RFP in order to assign contracts of this type. Thanks.

XAVIER CALVEZ: Aaron, relative to services, can you answer the question or address it?

AARON HICKMAN: Sure. Thanks, Xavier. I think that we have some vendors that might be able to do parts of the various services that would be requested, but I think given the unique nature of the system, we would need to do an RFP to go out and find folks who could do it the most effectively and efficiently and cost effectively as well. So I wouldn't be able to turn to someone internally, some vendor internally and get a cost estimate directly from them necessarily, if that's what the question is.

XAVIER CALVEZ: Thank you, Aaron. I think I have the answer to the next question from Margie about whether we have evaluated any of the systems being developed by others in order to develop this. We have not done that. We've done all this inhouse at this stage. It would be possibly an interesting approach to further evaluate in more detail systems and solutions down the road. But I think that it would also be done once we have ourselves a better design or more detailed and specific design that we would want to compare or be able to find alternative solutions to.
I think we've addressed the RFP question that follows from Matt, but if we haven't, please let us know. Don't know for sure exactly the number of RFPs that will be carried out for this, but I would expect a specific RFP for different types of services that are needed whether for development or for operation of the systems.

And we'll probably ask Francisco to address the last question that appears here from Georgios.

AARON HICKMAN: Let me take that because I think if I understand the question correctly, this is about the time period for which the accreditation or identification is valid. And if that's the case, we estimated a two-year cost model which was suggested by the question and answer we exchanged with this group prior to engaging in the process, that a two-year period would be acceptable for accreditation unless there was, of course, some sort of evidence of ill behavior or something.

XAVIER CALVEZ: Thank you, Aaron. I think we're at the end of that list of questions. I don't know if there's any further questions in the chat that we have not tackled.

JANIS KARKLINS: Yeah. Thank you, guys. There were a few additional questions, but while waiting until Berry puts those questions on the screen, I can ask you additional question about the cost-benefit analysis. You said that that would be useful to do. Question is, based on
information you know and this conversation that we have now, are you in a position to make this cost-benefit analysis, or you need some additional information from the team? And do you think that this cost-benefit analysis would be done prior the finalization of the report, or that should be done to accompany decision making process by the GNSO council and ICANN board?

XAVIER CALVEZ: Let me start. The cost-benefit analysis obviously—sorry, I don’t mean to be pedantic in saying this, but there’s two parts to it. There’s the cost and there’s the benefit. So the benefits, obviously, you have designed this with an expectation of benefits. So I think the cost-benefit analysis is exactly the next stage of evaluation that I think this group should do on the basis of the costs that we have provided and that you can evaluate whether you believe the benefits that you expected of it are in relation and proportionate to the cost that you see being proposed here.

I fully understand that in order also to best inform this evaluation of cost versus benefit, there would be potentially the elements that we’ve indicated are missing today needing to be evaluated. For example, the fees to the requestors for each request, as well as potentially the cost for the contracted parties, but the cost-benefit analysis is not something that ICANN can just do or this group of members can do on its own. It’s probably you are best placed to do this cost-benefit analysis. Do you think that it’s worth $9 million to develop the system to perform this service? It’s a question for the group that we are happy to participate to and help, but it’s not ICANN’s, I think, role in this case to determine that the benefits are worth the costs that are offered here at this point.
Again, there’s complement of information that are useful for that purpose, which I definitely understand are not available at this point and we’re happy to work on that down the road.

JANIS KARKLINS:
Okay. Thank you. So being volunteer, I don’t think that any of the members would be in a position to spend additional time to do this cost-benefit analysis. We can only judge based on our sentiments. Some will say $9 million is just too much and it’s not worth doing it, some may say, no, it’s absolutely needed, why we started all this thing, and so on. So there should be some kind of independent judge who would say this was initial task, this is what it costs, is it worth, is it not, and so on.

But anyway, I’m talking too much. There are a few other questions that have been put in chat, and you now see them on the screen and I’m looking if there are any hands up, and I see none.

XAVIER CALVEZ:
I see a question from Hadia relative to the development of the central gateway and the accreditation system, and I think we have already answered that. Thank you for putting that comment. Stephanie asked about the risk assessment. We have not currently planned to do a risk assessment, but I think it would be interesting also to understand what risk assessment. I guess the risk of building the system is one thing. The risk of managing the system is another. But this is something that we could offer some thoughts into if you would like, but we have not yet carried that out.
JANIS KARKLINS: Okay. Thank you. So we have answered all the questions that have been raised so far, and Marc Anderson’s hand is up for the future questions. Marc, please, go ahead.

MARC ANDERSON: Thanks, Janis. Thank you, Xavier and your team. Appreciate all the work that went into this. You providing this overview of it is very useful and appreciated.

I guess I have a comment and a question. My comment is related to the identity providers. [I know when you did your] analysis, you indicated that you assumed there would be at least three identity providers, and you seem to focus on geographic diversity with the identity providers. I thought this was kind of interesting.

I want to note it because in our deliberations, we assumed that—I think we talked about assuming that there would need to be likely three identity providers, but rather than looking at global coverage, we sort of assumed the need for the different groups of requestors, specifically intellectual property, trademark type requestors, security researchers and law enforcement, or maybe government type requestors as a broader category.

Our assumption was each of those had very specific and different needs for identity verification, and so our thinking I think was more along the lines of types of requestors rather than global coverage. So that jumped out at me. I just wanted to make that point. I'm not sure that that materially changes what you’ve done or your
assumptions, but it did jump out at me so I wanted to make that note here for your edification.

The other question I guess is maybe a little bit open ended, but when you were introducing your summary, you talked about the benefits of doing this costing exercise now, especially that it provides the ability to identify flaws or gaps at this stage. And I thought that was a great point and I appreciate you calling that out now. I was wondering if you could take a moment to talk about what flaws or gaps you identified in your analysis, if you had any recommendations for our group to consider as far as addressing those flaws and gaps. I think that would be beneficial and useful for us to hear at this stage.

JANIS KARKLINS: Thank you, Marc, for question.

XAVIER CALVEZ: Thank you, Marc. Thank you, Janis. I'll ask my colleagues to also jump in, but I'll start quickly. I think that your point about the service providers needing to have the ability to address specific types or groups of requestors versus covering different geographic parts of the world is a very important one, and definitely, this is the type of things that would probably come out further as anyone would normally go down the path of doing an RFP, is that we would want to have enough definition of the services that need to be provided that this information needs to come out. I would definitely expect that there may be a combination of those two criteria that needs to be addressed, meaning that we need to have
in each geographic zone that we have assumed specific capabilities by the provider or providers in each zone to address the specific groups of requestors. And it may be that if there's three groups of requestors identified, then we need three different providers in each of those geographies. I don't know, but it's also not necessarily the case in the sense that maybe we will find a provider in a given jurisdiction that is believed to be able to address all the requestors’ groups. So that’s definitely something that we cannot know at this point, but this is a very important point that there may be specificity and skills required for these service providers that may require that we have more than three for each geographic zone being used and therefore onboarded and managed and contracted. So I think that's a great point.

Flaws and gaps. There's one very obvious gap at this point, which is the nature of the assertions that need to be verified during the accreditation process. Until we know what those assertions are and how they can be actually verified, we cannot—anyone would need that information to be able to evaluate how to address those assertions. And first, of course, if those assertions can be verified. If I take an example, if someone says that they are an intellectual property lawyer for example, how does that get verified, with what level of certainty and diligence? How often do we need to verify that information? Etc.

So the assertions is a very broad topic that unless there's further definition cannot be assessed. I would argue and I would assume that at some point, these assertions need to be validated not just from a cost standpoint but also for the understanding of the operability of this model.
If the assertions are a lot too broad for example or too specific, it may impact the actual feasibility of the model, not just technically speaking but also in relation to the requestors themselves. And because it makes the requirement for a requestor to be able to submit a request a very high bar. If there's a lot of information that's required or a lot of information needs to be proven and verified, that also creates complexity of each request for the requestors, potentially for the registrars and obviously potentially for the operator of the model. So that’s a very clear and obvious gap.

One fundamental question that we’ve also identified through our discussions is that this is a model that could end by denying user for the request and not providing the desired answer. So this is an interesting thought from the perspective that it’s a lot of money to say no and to not provide any information. And obviously, there is a—how to say that? There is a little bit of a fundamental question here of how is it also perceived by potential requestors or interest parties in the information that this is trying to provide.

But we’re happy to identify, of course, more challenges or gaps. Those are fairly obvious, and we’ll let Francisco or Aaron offer any additional thoughts if they have any, and we can definitely come back later on if you would like to offer more thoughts in that direction. And we could do that as part of the risk analysis if that would be so desired.

JANIS KARKLINS: Thank you, Xavier. So I see no hands up for the moment. Let me react on what Xavier said about the model itself. You see,
sometimes when you’re thinking in terms of policy, many implementation issues are left for the decisions at a later stage. And when it comes to accreditation and what questions need to be answered during the accreditation, also could be defined at a later stage and one can think—through this process of implementation, one can develop very stringent accreditation with many questions asked and documents required, and one can do also something rather light.

I remember exactly at the moment we discussed this accreditation recommendation, I was applying for Canadian visa, and that was done online and I got answer in 15 minutes and I paid $7 Canadian. So for me, accreditation and visa grant is more or less the same thing. And probably, my name was tested against few databases and name was not there and the visa was issued.

So, same probably need to be developed during implementation phase here, and that will determine whether that will cost $10 or $110. With this, I'm giving floor to Marc Anderson.

MARC ANDERSON: Thanks, Janis. And thank you for the response. I did note in the challenges section you did talk about the challenges with cost to perform signed assertion verification services. So I did notice that and appreciate you speaking to that. You sort of preempted the follow-up question I had already planned, so thank you for that.

I do think what we put in the initial report around signed assertions is a little vague, so I think that's a fair point, and
perhaps something we should revisit when we get to that section. So thank you for that. I appreciate it, and I would be interested to hear from Francisco and Aaron if they have any flaws or gaps that they would like to highlight for us.

**XAVIER CALVEZ:** Justo ne quick comment before any one of them jumps in. Relative to the assertions, I completely recognize the point that Janis made is obviously you can make these assertions very extensive or very narrow, and therefore the process is easier or more difficult. I have not witnessed or reviewed all the materials that you’ve produced as a result of your conversations, but I could see that defining what the assertions are is obviously relatively difficult to design at this stage and wouldn’t be needed to be designed down the road. Maybe closer to implementation as Janis was pointing out.

What I think could be helpful to anyone who takes on the work of implementing this policy would be that the objectives that the assertion would need to help achieve relative to the requestors and the request would be helpful. So don’t define the assertions, define the objectives that verifying the assertions needs to achieve, because that would be a good guide to the implementer. What I think could be helpful guidance and could help define further the model. So I think that’s a good example of a gap that would be helpful. Thank you. Francisco or Aaron, do you have any other thoughts to offer on gaps or issues?
AARON HICKMAN: Yes. Thank you. I do think that understanding the standards under which the EPDP would find these things acceptable would be helpful. And I think Xavier was getting to it in a little different way. From just a practical standpoint, if we want to request that various providers conduct certain services in regards to identifying a person or a type of person or a group, we would just need to know sort of what that standard needs to be to best make sure that, A, that's consistent across the providers, and that we're treating all applicants fairly.

So for me, that was kind of the biggest challenge. It felt like assertions might be leaning towards maybe creating some of those groups, but I wasn’t sure. And the other thing that I think was a little difficult on the assertions was that some of that seemed specific to a request and some seemed specific to the entity or person becoming accredited.

So the workflow that I understood at least was that accreditation was a one-time thing, but signed assertions also seemed to have this additional loop of if this is specific to a particular request, then an assertion might need to be verified before that request would occur. So that wasn't entirely clear as well, so if we could get to that level of clarity, that'll always be helpful.

JANIS KARKLINS: Thank you. Marc Anderson, please.
MARC ANDERSON: I want to say I think you read it correctly there in that I think our intent indeed is that some assertions would be specific to the requestor whereas some would be specific to the request itself. So I think your read is accurate and I think that was deliberate on our part. So I just wanted to add that context.

JANIS KARKLINS: Okay. Thank you. So I then have further requests for the floor. Francisco, your hand is up to answer.

FRANCISCO ARIAS: Just to add on the technical side or trying to—what I was working on when doing this estimate, one of the difficulties I found regarding the assertions, there seems to be inconsistency in the report, and when you look at the diagrams and some descriptions of how things are supposed to work, there is nothing to be found about the assertions, yet in other parts it talks about assertions that are something that the accreditation authority and/or the identity providers will have a role in participating on that. I think it’ll be good to have clarity on how is that supposed to work, at least on the system side. When I work on the estimates, I did not consider anything on the assertions because I could not understand how is that supposed to work. I just assumed that there is nothing about assertions, the identity providers and accreditation authority are notable in the request, in individual requests, they only deal with accrediting the requestor or someone that wants to be a requestor.
And of course, they are also involved, the accreditation authority and the providers, in authenticating the user, but just that. They don’t get to see the query or have any participation in the information that relates to that. That’s how I assume it, because like I said, I found this conflicting information in the report and could not understand how that’s supposed to work. Thanks.

JANIS KARKLINS: Okay. Thank you. So we probably need to look at it closer. So, any further request for the floor, any questions, comments? I see none. Can that be? So indeed, no further questions. So I take that the presentation was helpful and everything now is clear.

So in absence of further requests for the floor, I think it is now time to thank Xavier and team for their presentation and for their time, being with us for this conversation. I think it would be good material to think through and also to use when we will be talking about financial sustainability of the SSAD itself.

So if there will be some need, Xavier, we will come back with further questions or clarification or request for further information. So we’ll probably stay in touch until the end of the process.

With this, I once again would like to know if there’s anyone who would like to take the floor at this stage.

XAVIER CALVEZ: Thank you very much, Janis and everyone for taking the time to discuss with us and for, again, the opportunity to help your work with this exercise. We think it’s very helpful and hopefully it is also
for you very helpful. And as you use it over the next few weeks, we are happy to help further if you have any questions or requests or desires to change some of the assumptions that we've used as you discuss it further. So we're happy to continue supporting the group in that respect. Thank you.

JANIS KARKLINS: Thank you, Xavier. So in absence of further request for the floor, I would like to bring this meeting to a close. Thank you very much, and have a good rest of the day. This meeting is adjourned.

TERRI AGNEW: Thank you, everyone. Once again, the meeting has been adjourned. Please remember to disconnect all remaining lines and have a wonderful rest of your day.

[END OF TRANSCRIPTION]