ICANN
Transcription
New gTLD Auction Proceeds CCWG Charter Webinar
13 October 2016 at 16:00 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: http://audio.icann.org/gnso/gnso-new-gtld-auction-proceeds-13oct16-en.mp3

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

Coordinator: Your recordings have started.

Nathalie Peregrine: Thank you ever so much, (Sam). Good morning, good afternoon, good
evening everybody and welcome to the New gTLD Auction Proceeds CCWG
Charter Webinar on the 13th of October 2016.

As a reminder, before we begin, audio connection information is in the
housekeeping part at the bottom left of the Adobe room. If you do connect
your audio please remember to mute your lines. There will be a question and
answer session at the end of the presentation, but please feel free to type
your comments and questions in the chat pod in the room. These will be read
out at the end of the call.

And with this I will hand over to the chair of his webinar, Jonathan Robinson.
Over to you, Jonathan.

Jonathan Robinson: Thanks Nathalie, and welcome everyone, to our webinar today on the New gTLD Auction Proceeds, the proposed charter for the cross community working group on the subject.

We've run a charter drafting team, which has produced a draft charter. And this has been a piece of work that's had its history over at least around about a year and a half, 18 months, over the last 18 months. But I will talk you through some of the timing on that, and welcome any questions or input you might want to provide as we go through.

As you see the notes down on your lower left of your screen, please feel free to place any questions in the chat and if it's possible I will either address them as we go through or we can discuss them in more detail at the end of the slides.

So the process and deliberation to date, as I said a moment ago, have been around about 18 months' worth of work. It originated back in March of last year when the GNSO made contact with the broader community to look at the possibility of a cross community working group to deal with this subject. And the next step was really to form a couple of sessions at ICANN 53, the most high profile of which was a high interest session which we ran in the main conference venue. And had various discussion and input on that.

We also ran a smaller community workshop and had presentations in that from three ccTLDs, all of whom have run some form of spinoff activity associated with funds generated from domain name related activities.

This was then followed up by a discussion paper which was procured by staff on the June 2015 meetings and circulated for public comment. And the public comment was then collated. And a drafting team duly formed in earlier this year. And one of the early pieces of activity of the drafting team was to take into account all of that's public comment input and discussion paper as well as bring in new input from the drafting team itself.

Over then approximately 6 months from then work was undertaken on the charter and that was then shared with the broader community at ICANN 56 in Helsinki. It was shared through a public open session where community members were able to input and talk with the drafting team participants and chair and vice chair. And the comments from that were then collated. And in fact we left an email list open for a time after that in order to take any follow on comments.

And all of that was processed through ICANN's public comment tool and reintegrated into the charter at which point we then were able to produce, what we consider to be a final draft charter. And because of the nature of the cross community working groups, because the group by definition will be chartered by more than one group, the concerns from the charter group would be that one or more charter in organizations sign off on the charter and one or more do not. And you can end up in a position which is logically problematic.

So what we elected to do was distribute what we consider to be the final draft charter and under sort of, quote, normal circumstances would have been our final position but just to check in case there were any overarching or critical concerns.

And that's the point we are -- where we are right now. Ideally what we would like to get his feedback from the chartering organizations saying we are satisfied that you've done a decent job on the charter and you can proceed to issue a final charter for approval by the chartering organizations, such that we can then commission the real work of this which is the work of the working group.

So that's where we are right now. We've prepared this draft final charter for review by the chartering organizations and we had originally set a deadline of 30 September, given everything else that was going on, you know, clearly the

combination of the IANA transition work at that time, we've held off. But we are really looking for any overarching or critical concerns to be fed back very shortly, otherwise we'd like to issue the final charter. And that's the position of the charter - of the charter drafting team at this stage.

Apologies. So next flight is Slide 3 where you can really see that history laid out and describing the state of play, we've had substantial community discussion in Point 1, various comments received on the charter, and taken those through the public comment tool process.

The proposed charter, which is now with the SO and AC chartering organizations and the Point 4 being the identification of pertinent issues. And as I said, if no pertinent issues are identified we will send the charter out with a request to adopt it. Of course if there are pertinent or overarching key concerns the charter will need to be adjusted to take account of that.

So how if we structured the charter? Well as some of you, if not all of you will know, there have been some work undertaken in a separate work stream to define the effective working mechanisms of cross community working groups. And in that work that includes a charter template. And we've worked off that charter template.

And as a result we have a structure along the lines of what you see in front of you. It shouldn't be a surprise. It's merely a problem statement, goals and objectives, how would be comprised in terms of membership, staffing and organization as well as the deliverables and output and the rules of engagement of the group. So a well structured charter according to what, as a community, we currently believe to be best practice.

And that's go into each of those sections in a little more detail now. So first of all the problem statement, goals and objectives and the scope. Under the goals and objectives, the CCWG will be tasked with developing a proposal which will be on a mechanism or process. That's certainly vital to understand

that there is no intent for the cross community working group to be involved in the disbursement of funds. This is all about setting a mechanism or a process or a capability to deal with this to deal with the ultimate distribution, well, application and the process to deal with the disbursement of the funds.

That won't happen as a direct consequence of the CCWG's work. The working group will set up a process or mechanism and it is that process or mechanism which will then deal with the disbursement of funds.

One of the critical points we've taken some input on and we'll need to as a working group continue to be mindful of and well appraised of is ICANN's tax exempt status and making sure that nothing that is done in terms of setting up any other activities compromises that status at all. And then really I guess that third bullet on the slide emphasizes that the CWG will not make recommendations with regard to specific funding decisions. It's the purpose to set up the mechanism as I said.

We set out some guiding principles and try to create some overarching principles for the work of the group. And you can see there should not be any significant surprises here, but there is a focus on transparency and openness, accountability, lean and effective processes. I mean, clearly what you don't want in a situation like this is overhead or administrative or other factors eating into the capital which is therefore ultimate distribution and benefit of broader community projects.

A key area of discussion, and this was pretty substantial, and I know the ICANN Board, who are participants through liaisons in this process, have some strong views on this, as to members of the drafting team. But because of the sensitive nature of this, this is about the direct distribution of funds, it will be necessary and important to have not only the – the sort of familiar statement of interest but perhaps some form of enhanced disclosure as, well, as part of the CWG processes.

In particular and to avoid any conflict of interest either during the working group stage and/or subsequently. There was quite a lot of discussion about that and it's worth highlighting because clearly we are used to, as a community, having very open working groups and it is proposed that this will be open in a structure which I will describe in terms of members, participants, and observers.

But there is sensitivity at every stage about the fact that there is potentially a sizeable amount of money to be distributed via the mechanisms this group sets up. And so the sensitivity around conflict of interest provisions will be higher than usual the bar is likely to be higher than usual in terms of ensuring that the appropriate disclosures are made.

There was also quite some discussion around diversity and ensuring that the – both the group at every part of its work strives for fair, just and unbiased distribution of the auction proceeds not inconsistent with ICANN's mission and also to focus on ensuring that the diversity of members and participants and observers of the CCWG itself were as diverse as possible.

So those of you who aren't aware, the sort of – the size of money – the size of the quantum of the funds that are available for ultimate distribution via the mechanism to be designed and proposed by the CCWG, is north of $100 million and may well exceed $200 million depending on the outcome of the various processes at play right now. So whichever way you measure it, whether it's north of $100 million or north of $200 million it's a potentially sizeable sum involved.

So some of the constraints include issues which I touched on before, the auction funds are to be utilized in a manner not inconsistent with ICANN's mission. That the CCWG will be expected to make recommendations onto what extent these proceeds are aligned with ICANN's mission. There may be different views there as to how close or not they should be aligned.

And there's a – effectively a legal or fiduciary requirement because these funds have been raised by ICANN, ICANN will maintain the ultimate responsibility for the confirmation of disbursement. So it's going to be – that will require the Board to essentially sign off on the disbursements which means that it's critically important – I think as probably a general principle anyway for the work of this kind of cross CCWG, but perhaps even more so in this case that the Board is brought along with and aligned with the broader community on the development of the CCWG and the ultimate disbursement of the proceeds.

What I think is critical to happen is that what we don't want is the CCWG making recommendations that the Board can't or won't live with and perhaps worse, that the – worse still is that the ultimate mechanism or process makes recommendations for distributions that the Board can't or won't live with. So there's going to have to be quite some work. And that's already foreseen by the participation of two Board liaisons in the CCWG drafting team, the group that's prepared this charter.

I guess it's important to highlight that final bullet as well which is the administration of the disbursement process as well as the oversight will need to be funded from the auction proceeds. It's not envisaged that ICANN will provide additional funding to support the administration of these funds, the pot itself, the fund needs to support both its own administration as well as the disbursement of the fund, as well as the funds to be disbursed.

So some of the questions in defining the scope, some of the questions that need to be answered or the critical questions that need to be asked is what is this framework? What's the structure, process or partnership that needs to be set up? What are the limits in terms of how the funds might be allocated? In particular these constraints of the ICANN mission and things like diversity of the communities that ICANN serves.

As well as, in Point 3 there on your screen in front of you, the safeguards that need to be put in place to ensure that the relevant legal and fiduciary constraints are respected and most obviously this is the – not disrupting ICANN's current tax exempt status.

Point 4 refers to a timeframe for the fund's allocation mechanism. This is a – envisaged to be a finite amount of funds. And so you would – the group – the working group will need to think about how it puts a time boundary on that and to the extent that it puts a – the working group recommends that this is done within – that funds are disbursed, for example, within a certain amount of time, thought is going to have to be given to ongoing monitoring and/or prospective mechanisms for progressive allocation of grants.

For example, a funding of a project may take place as a once-off or it may take place as a series of grants continued on certain milestones being met. And all of these will have impact for any timeframes that need to be put in place.

Item 5, as I highlighted before, is the conflict of interest issue. Is going to be important. It's going to be important both at the working group stage, at least as far as disclosure is concerned of any interest or prospective interest in the funding.

And then much more significantly, in my view at least, but certainly importantly at the point of view of the disbursement, at the point of the disbursement is going to have to be you can't have people on both sides of the fence. So that mechanism that needs to be put in place needs to be – have a very bright line between any potential beneficiary of funds and anyone making a judgment or a decision in and around the allocation of those funds.

Point 6 refers to the prospects of a preference or potential priority being given to organizations from developing economies or in under-represented regions

or groups. And thought is going to have to be given to whether there is any form of priority in that – in respect of that.

Point 7 looks at how – whether this should be something done within ICANN itself, whether there's a solicitation and evaluation proposed is somehow done within the ICANN structures or it's a very separate entity created for the purpose of doing so.

And Point 8 looks at the level of overhead, you know, does that come as a certain fraction? There'll be very familiar norms to some people in the sector; there will various degrees of expertise and knowledge as to what an acceptable level of overhead. I mean, just hypothetically you wouldn't want half of the funds being allocated to managing the funds and only the other half available for disbursement. You might intuitively think this should be 10% or 5% or even 1% or 2% depending on the size of the funds. And there will be plenty of people with both expertise and comparables that can be looked at.

Point 9 highlights the necessary – you know, what the type of governance framework that would need to be in place. Point 10 is an interesting one and I think this could be something that the CWG will need to chew on quite carefully, is to what extent could ICANN or a constituent part of ICANN be the beneficiary of some of the auction funds?

Some people might envisage that these flow out of the ICANN community or into broader points, but, you know, there's – it's possible that ICANN itself in some way may have a requirement for one-off funding and potentially be an applicant for funds. So that's a question as to whether that's possible in terms of the rules and processes and mechanics that the CWG might define.

And then 11 is quite an interesting one, should there be any mechanism to adjust the framework to accommodate changes that might occur? I mean, should – I mean, the example given here is if ICANN legal or if there's a

change to a key part of ICANN's mission or particular legal or fiduciary requirements, should there be an opportunity to create some form of change?

So there is some comments in the chat from Kurt and perhaps followed up by Becky. It'll be interesting to discuss this and perhaps that's something we can talk about. One of the key things that a chartering group has to take account of is that it's very tempting to get into all sorts of elements of the work which is actually for the working group.

So it's – it seems critical to appropriately scope the charter and yet not do the work of the working group. So I think the key test for any question you might have is have we – is the working group going to be able to tackle this? And is there anything in the charter that either stops relevant work being done or doesn't ensure that it will be done?

And, yes, the discussion with Ken's point there, it's particularly in the prior slide, on the point where we – yes, Point 8, what aspects should be considered to determine appropriate level of overhead? That specifically tackles to that question what – it asks the CWG to consider what is an appropriate level of overhead, doesn't inappropriately into the funds. To the principle, if you like.

Okay so I'm just wondering how much to get into the questions. I think it might be – might be useful to try and get through the scope and the deliverables and reporting. I think I'll try and work through things and then we can pick up some of these key discussions which of course we'll have a record of in the chat, but it will be useful to see if those – the key is not whether these are material points or not but whether they have – whether there's a cause to change the charter or not, and how much of this should be put into the work of the CWG.

Let me keep us going through so we've covered the overall scope and key elements of the charter and then hopefully we can create enough opportunity for discussion.

There's clearly – as you might expect there will have to be a work plan constructed, set out a clear work plan and a schedule of activity. You'd expect an initial report to come out. And these are fairly standard processes for the kind of group that we're talking about so I won't dwell on this too much, but initial report, public comment, final report submitted to chartering organization and then moved onto the Board.

Now I think it's worth pausing at Step 4 because initially – and these are covered in the charter. If you read the charter in detail you'll see the Board's commitment to this because initially the Board gave a rather softer commitment to simply review or look at the outcomes.

At a later stage the Board committed to actually giving full and proper consideration of the recommendations and to the extent that they weren't acceptable, providing a proper rationalization. So I would very much expect that that providing the recommendations fit within – don't cause – you know, have been thoroughly deliberated and don't cause legal or other significant concerns for the Board. The Board would be minded to take the community's direction on the work of the CWG.

So you can look at the exact language that's been put in place in the charter, but it reflects both an initial and a subsequent enhanced commitment on the part of the Board.

By now the kind of membership participation and observer status that you might expect is likely to be familiar to many of you. There'll be a structured form of membership. There'll be an intention that should it be necessary the members will be able to provide a form of voting. But as you'll be aware there's been some quite significant work done in and around the IANA

transition with community working groups and there's been no requirement to take votes using the members.

In addition, full participation will be available to participants. And that'll be unrestricted save for the fact that those participants will need to provide an equivalent declaration of interest and prospective interest in the outcomes as the members. And then there'll be another status for those that simply want to keep track of what's going on and act as observers.

In general, there's some requirements for the members that will go out to those chartering organizations as you might expect. And I draw your attention to the last bullet where it talks about providing mandatory disclosures. And a requirement to provide mandatory disclosures concerning any intention to apply for or in any way support the application for these funds ultimately. So it should be clear from the statement of interest, from the declaration of members and participants whether they have any intention to be involved in the application of funds.

And then we expect in the final bullet point to have ongoing Board participation as we have had in the work of the chartering drafting team from Asha, who is on the Board, and I'm just checking other Board representatives here, I don't see here. But we've had two Board representatives on – in the drafting team and we'd expect – in fact I think Becky is taking over so technically both of the Board representatives are in on the call today.

So in terms of the rules of engagement, these are fairly standard, what you might expect, the definition of consensus and how the CCWG will make every effort to act by consensus and to the extent that the chair or chairs need to make a consensus call, they will make reasonable efforts to involve all of the members and then the definition of full consensus and consensus to be applied.

And then the sort of process by which the decision making will be taken. You've got submission of the final output for chartering organizations, consideration by the chartering organizations, final output submitted to the ICANN Board, and then I think here are the two critical points.

First of all, the Board should give due consideration to the final output, and in particular the addition to enter into a dialogue, if the Board feels that it cannot accept the final output. So whilst the Board hasn't agreed to be bound by the output, in my opinion, there's a form of moral obligation to be bound by the output providing it's reasonable, well considered and in any event the Board is, at minimum, committed to enter into a dialogue if it feels it cannot, for any way, accept the final output.

I hope that gives appropriate comfort to those who may be concerned about both Board involvement in the group, which I think we've welcomed in the charter drafting team, and should welcome in the working group that gets derived from that and that the appropriate sort of thinking has gone into how that will be then handled by the Board.

So where we are now is we would like to hear back from the chartering organizations, the supporting organizations and advisory committees to confirm whether they do have any critical or pertinent issues that get in the way of the charter in its current form begin adopted because, as I said, this was a gestation period of getting to this point has been around 15 months now and feels timely to get the charter adopted and to commission the work of the working group as soon as possible.

And so providing the charter organizations do adopt the charter we'll be in a position to do that, to commission the work of the working group in short order. So there you have it. There's a series of links from the presentation. All of the historic work is available through from the original discussion paper, the transcripts and recordings have all – and charter drafting team's work, the

high interest sessions, the most recent meeting at ICANN 56, the comment on the comment review tool and so on.

So it would be good to have some discussion. I see there's been quite some healthy chat and dialogue in the panel. I haven't been able to follow it that closely so it's difficult for me to tell how resolved the points are by virtue of the discussion, but welcome any hands up and comment or input if anyone would like to make that in order to provide that.

So I'm just going to see – try and go back and see if I can be pointed out to – oh, there's a most recent question on the timeline from Eduardo, is there a definitive timeline? As I said at the earlier on, we asked for feedback on the charter if there were overarching or critical concerns by the 30th of September. It's – we haven't reset that timeline but I would hope that if we haven't received anything shortly, we can put the charter out to the chartering organizations for potential approval at the ICANN 57.

But it does seem sensible to write and say providing we haven't heard anything by X date, we would expect to put the charter out to you. Having had the dialogue, and as I said, I haven't been able to follow that in detail as I've been presenting, are there any questions that – or frankly comments. I see Alan Greenberg, who I should have acknowledged as the deputy chair of the charter drafting team has put his hand up so I'll hand over to Alan. But if there are questions or comments from either webinar participants and/or members of the charter drafting team. Please do raise your hand and we can bring you into the discussion. Alan, let me defer to you.

Alan Greenberg: Thank you. Alan Greenberg speaking. I'd like to comment on the set of comments that I think Ken, maybe someone else did, but certainly Ken has been following – Ken Stubbs has been following in the chat. There was a lot of discussion and some very strong positions among some members of the drafting team and input from the Board, for that matter, on whether people should be able to participate in the CCWG if they plan to be applicants.

And the worry is that they sit on the CCWG and help form the rules and then specifically set up – end up with rules which are – which make it more likely that their projects get funded because, you know, the target things are in the area they want to do or the details are such that they will be good candidates for funding later on.

And that was a very significant concern. On the other hand, there was strong concern that, Number 1, the people who maybe applicants are often people with the most experience in this kind of business and their input to the extent that it can be impartial, is important. And the second thing is, we have always had pretty open participation in working groups with the exception of some very highly targeted ones, we basically have said anyone can participate but they need to declare their interests.

And that's not unlike people participating in the GNSO who have a vested interest in the outcome. But they do it with clear clarity of who is – who they are and who they're speaking on behalf of. And we ended up moving in that direction. There are some – still some concerns but it seems to balance – fit best into the ICANN stakeholder model with allowing openness and declaration of interests. Thank you.

Jonathan Robinson: Thanks, Alan. I think that's helpful that you scope that. I'd just add one other point. And it is – you, I think, covered it. I think I attempted to cover it. And I think even Becky's made a point in the chat. But the critical point here is that any participants in the working group will not be determining the allocation of funding. They will be working on the mechanism.

And so to some extent, that's different to GNSO policy making where participants may be directly impacted in terms of their business model positively or negatively by certain policy decisions. In this case, the idea is to design a framework and – or process or mechanism for the allocation of funds, not in any way to determine the actual allocation of funds.

I guess certain processes or mechanisms could exclude others but hopefully by virtue of the fact of the declaration of interest and robust debate that is covered. Ken, your hand is up. Would you like to come in?

Ken Stubbs: Yes, thank you, Jonathan. I guess my concern is on the definitions of the words that you used in your comments just now. It's possible to craft a process, for instance, that would arrive at conclusions or at frameworks which point specifically towards a specific group or even an applicant group. I think we have to be very careful with that.

Also, I look to the ICANN Board for guidelines that assure both credibility and a comfort level. And I'm very concerned about the fact that somebody can advocate and all they need to do is disclose why they're advocating. It's – if you get a large enough group of people that advocate in this area, we could run into the situation where even though we don't determine specific applicants, we have created a construct that provides guidelines that would either give a preference to those applicants.

And it's just something that I am very concerned about. And we're dealing with tens and tens of millions of dollars and I just want to have confidence that this process is not gamed in any direction by any specific group. That's all. Thank you.

Jonathan Robinson: Thanks, Ken. I think for comments. Would anyone like to respond or comment further in relation to that kind of issue and the concern that the work of a working group could in some way become imbalanced, bearing in mind that the membership is, to some extent, representative of the different groups involved. But participation is not restricted to any given particular group or groups. And indeed could be open to participation, for example, from membership outside of what is the traditional ICANN community.

And in – I think there are some that would very much like to see that participation in the working group and potentially ultimate funding allocation into a broader – into potentially a broader set of funds. So the constraint clearly is this point that is needs to not in any sense impact on ICANN's current tax status and be no inconsistent with ICANN's mission. And don't forget we call out specifically in the charter to create some form of definition about how closely any funding should be aligned with ICANN's mission.

Alan Greenberg, come in.

Alan Greenberg: Thank you. People have said that there is no process within ICANN which someone won't try to game. And that's probably true. And it's equally true I think that many of us who are involved in ICANN if we are asked would have some pet projects we would like to see funded. We may not have a vested interest in having them funded but, you know, emotionally we would like to see ICANN using its money – this money for that kind of thing, whatever that kind of thing is.

So, yes, there is the danger that there will be people who will work very hard to make sure that their pet projects and perhaps ultimately they themselves as consultants who may implement these projects, benefit from it. The hope is that the ACs and SOs at the very least, plus a number of other individual participants, will get involved who don't go into this with specific targeted, you know, needs and will try to make sure the whole thing is balanced.

It's not all that different from the experiences we had in the, you know, in the recent IANA transition and accountability. There were certainly people there with very, very targeted aims and others who were trying to find good balance. And I cross my fingers and hope we'll have enough of the latter that we end up with a good result. Thank you.

Jonathan Robinson: So on the conflict of interest point, which is to Ken's point and which received quite some attention in the group and quite some robust discussion

because clearly it's like any sort of constraint you put on things, if you put – depending on how high you dial the filter, if you like, you could filter out a lot of potential relevant and competent and interesting membership and/or participation.

So Asha's point, that I think she would like me to focus on is this point that the – and she says she's unable to talk in the audio but would like me to make you aware that the Board would not do anything about the membership of the group but the Board does have an obligation to make sure that any decisions by the group are free from conflict of interest.

So not only do we – it's a good point. And Asha I think highlights a really important subtlety there. Not only does the group expect that there will be appropriate levels of disclosure, including a mandatory disclosure of potential interest, that the Board would seek to have an overview that the process was properly followed and that a conflict of interest hadn't inappropriately influenced the outcome.

So, you know, ultimately the Board carries a responsibility, as I say, to accept or not the recommendations and to accept or not any funding outcome that comes out of the final mechanism. So there is a reasonable check and balance. That may not satisfy everyone, but that – there will be a requirement to listen to and be receptive to any Board-related concerns that are in particular appropriate to this issue of conflict of interest and so on.

Yes, and then James and Sam have a dialogue – James Bladel and Sam Eisner have a dialogue around, you know, third party potential. And, I mean, I certainly – I'm no – personally do not have a great deal of expertise. I was the – I initiated the input from the three CCs that have – the three ccTLDs that have their own foundations and provided that very early input.

And I guess if I was either chairing or influencing the work of this group going forward I would expect to get various levels of expert input including that from

third party entities who might administer this kind of thing. I would seriously question whether we – whether you would want – we as a community would want inexpert management of something like this. I mean, and to the extent that that's available off the shelf as it were, outsourced, that would very likely be the most efficient way of doing things.

But, you know, I would hate to preempt the outcome of the CWG but certainly I would be advocating in whatever role I was in if I participated in this going forward, for expertise. And in fact the charter calls that out quite carefully as well. It recognizes that this is an area where we may well need third party expertise in various ways. And for those of you who might, on reading the charter, think this is a reference to legal expertise, well it could be legal expertise.

And on that we'd rely on ICANN's legal team in the first instance and only go to any third party expertise if that wasn't available for some reason from within ICANN itself. But in addition, that expertise could well cover either – and I would expect it to – other related areas of fund administration and so on.

And then – and so I see Sam is supportive of that point. But Asha makes the point that the eventual organization cannot be completely spun out of ICANN. But I think we've covered that ICANN – that, Asha, by the point that the ICANN Board has ultimate fiduciary responsibility over the distribution of funds. So really any outsourcing would be for the purpose of administering a mechanism designed by the CWG.

So I think, again, you can see how very easily one is tempted at this charter drafting stage to get into all sorts of work that really belongs within the CWG. And the purpose of the charter is to keep quite lean and provide an effective framework for the working group to do its work and not to preempt that while naturally. In doing that you come across some of the critical issues that the group might face.

Ken, your hand is up. Why don't you come in with another comment?

Ken Stubbs: Yes, yes I'm directing this somewhat to Asha but to the whole group. I agree completely that this can't be – that the entire process can't be spun out of ICANN. But I would strongly encourage the Board to keep that administrative process within the Board and that they should keep the ICANN staff out of it completely. If you need legal advice, I can understand that. But any administrative evaluations or any work like that should really be tasked under the Board supervision.

We want to have a situation where something like this could never be used as a lever because in many cases the administration of the funds or at least the administrative relationships to the applicants are going to be a staff function. So I'd like to see some real independence there. And I'm comfortable that the Board has the competence to be able to perform an overall administration of the process with any assistance professionally they feel is comfortable.

That's my biggest concern. I just don't want to see any big bills and I don't want to have a situation where rumors are that somebody in the ICANN staff is using this process as a lever to accomplish some sort of a policy that the staff specifically feels needs to be administered in a direction that they prefer as opposed to the community. That's all. Thank you.

Jonathan Robinson: Thanks, Ken. And you're right, inevitably with both in the post- transition environment, with the scale of the funds available and so on, the optics as well as the actual mechanics and detail of this are going to be very important. And again, that points to why issues such as conflict of interest have captured the attention of the drafting team.

I see Erika is on here. Hi, Erika. I didn't – I don't know if I missed you earlier. But just to be clear, Asha and Erika have contributed as the Board liaisons to

the charter drafting team to date. And in due course I think Becky is going to represent the Board alongside Asha – the work of either as the charter drafting team wraps up its work and/or as the working group picks up its work.

Okay well thanks, Erika, I see you have joined fully now and welcome. And of course like anyone you'll be welcome to go back and check the recording for anything that you might have missed on route through the presentation.

So I guess to try and sum it up as we head towards the top of the hour, the charter drafting team has tried to do a few different things. One is to be as thorough as possible and to take a slow journey mindful of the fact that there was a lot of other parallel work and activity going on as – if that's not an understatement. And second, that there was a requirement to take thorough and detailed input along the way and to repeatedly put things back to the community for consultation.

Having said that, the charter drafting team was also mindful that there were limits on its work. It's a small focused team that was designed to produce a scoping document, which is what the definition of a charter is, for the real work to be done in the working group. And so there were times when, as we have even in this meeting and inevitably one start to stray into how the mechanism might work, how this might work along way down the road.

But it's really important to think about this in terms of the different phases. The preparatory work, then the charter drafting team work, then the commissioning of the working group, and ultimately the implementation of the mechanism and then even over that, the Board oversight of any distribution that comes out of that mechanism.

So there's quite a few steps that this whole process goes through. I believe, and hope you will agree, that we've done a thorough job in getting the charter to this point. And a critical question for the community now, and those of you

on the call and those of you who will influence the decisions of the chartering organizations, is whether or not this charter is sufficiently well baked, there are real overarching concerns that mean that the charter needs to be revised.

As I say personally, I'm rather keen that we can put the charter to bed and commission the work of the working group but clearly if there are overarching concerns or issues that the charter needs to address then we should do so. But in asking that question and in testing that in the different groups it's very important to recognize that that shouldn't be – has the charter drafting team done the work of the working group because the working group must clearly do that.

Are there any other final comments or questions? I'll commit you to, regardless, to read through the chat and the comments and make sure that will be circulated to the charter drafting team. And I think the action on the charter drafting team here is to communicate to the chartering organizations with a deadline and to say, look, we'd really like to hear from you very shortly otherwise we'll be sending you the same charter with a covering letter asking you to review it with a view to approving it at your forthcoming meeting.

So I hope that's been helpful and clear and thank you very much, everyone, for attending, and more than attending, for participating both in the chat and via the audio questions and thanks and recognition to the work of the charter drafting team including the members, Board liaisons and Alan Greenberg in his capacity as a deputy chair.

All right, with that we'll sign off. Stop the recording and call the webinar to a close. Thanks again.

Nathalie Peregrine: Thank you very much for taking part in today's webinar. This call is now concluded. You may stop the recordings.

ICANN
Moderator: Nathalie Peregrine
10-13-16/11:00 am CT
Confirmation # 1525741
Page 23

END