ICANN
Transcription
CCWG Auction Proceeds
Thursday, 31 May 2018 at 14:00 UTC

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Coordinator: Recordings have started.

Julie Bisland: Super, thank you. Good morning, good afternoon and good evening everyone. Welcome to the CCWG New gTLD Auction Proceeds call held on Thursday the 31st of May, 2018. In the interest of time, there will be no roll call. Attendance will be taken via the Adobe Connect room. If you're only on the audio bridge would you please let yourself be known now?

Xavier Calvez: Hi, Xavier Calvez is on the audio bridge only.

Julie Bisland: Thank you, Xavier. Thank you. All right and hearing no more names…

Tony Harris: I can't connect. I cannot connect to the Adobe. Tony Harris. I'm on the bridge.

Julie Bisland: And Tony Harris, okay super, thank you. All right well hearing no more names I would like to remind all to please state your name before speaking for transcription purposes and to please keep your phones and microphones on mute when not speaking to avoid any background noise. And with this I'll turn it back over to you, Erika. Thank you.

Erika Mann: Thank you so much, Julie. Hi, everyone. Good to have this call and let's hope that today my connection is working; it seems to be definitely better than it was last time from Frankfort. Okay Item 2 on our agenda, update – any update for the interest declaration? Anybody want to announce something? No, not the case, okay.

Then let's move to our next item on the agenda which is the topic about the charter questions. I know that you had – I could follow the part of the discussion last time and I saw the report from the last meeting from the call, you had quite an interesting discussion about it. And I sent an email this morning making a recommendation which we last in the leadership team, can somebody check, there's an echo. Thank you so much.

And I sent an email in picking up the topics which you discussed last time on the call and taking it a step further in making actually a recommendation how to address one potential scenario how to address the combination between the charter questions and between these four mechanisms which is a quite complex undertaking. So one idea would be actually that the leadership team would try to do a first drafting, would then send it to you and we can then continue to discuss the topics. And an ideal scenario we would then be able hopefully to finalize it in Panama and to have a clear understanding about how we want to frame the topic.

Having said this, and I forwarded it to you, we received today the reply from the Board. I'm very grateful to Maarten and to Becky who initiated the discussion at the last Board meeting, and this is a quite interesting document and reply which – to our letter which we have sent to the Board, so quite interesting reply which we have received. Very detailed one.

So what I would love to do today is first of all have a discussion with you about the question, do you feel comfortable that the leadership team or if somebody else wants to join the leadership team, or you recommend a subgroup of this working group shall do it, to be reframing or not reframing

but do the evaluation between the charter questions and the four mechanisms, then that's fine too.

And then I would love to recommend that we do a quick review about what the Board sent to us. I don't think so it's time to go much into detail but we can do a quick review about what we received. Ching, Marika, is there points you want to add to this topic?

Kavouss Arasteh: Erika?

Erika Mann: Yes. Kavouss, can you give me a second? I just want to – yes, I give it to you in a second…

((Crosstalk))

Erika Mann: I just want to hear quick from – just I want to hear quick from Ching or from Marika if they'd like to add something to this point.

Kavouss Arasteh: Okay. Go ahead, okay.

Erika Mann: Thank you so much, Kavouss.

Marika Konings: Yes, this is Marika. Nothing from my side.

Erika Mann: Okay thank you. Ching, something from your side?

Ching Chiao: Yes, this is Ching.

((Crosstalk))

Ching Chiao: Yes, nothing from – yes, I mean, nothing from me at this moment so you covered this very well, so yes, nothing from me.

Erika Mann: Thank you so much, Kavouss. And on the – on the screen you see the charter question, I believe, it's so tiny, let me make a little bit bigger that I can see it. And then we will show you in a second the reply from the Board as well. And I see that in time Becky is with us, I'm still waiting if Maarten is joining but otherwise Becky I'm sure it will be fine if you continue to comment maybe a bit further on the letter you have sent.

Now back to Kavouss. Kavouss, please.

Kavouss Arasteh: Yes, Erika. I'm on audio bridge only I wanted to tell you that I don't have access to the Adobe so I'm on audio bridge only. Thank you.

Erika Mann: Thank you so much, Kavouss. Anybody else who would love to comment maybe first on the question whether you feel comfortable that the leadership is doing the first draft in looking at the charter question in combination to these four mechanisms and sending a first draft to you and then we will have a more proper debate about it. Do you feel comfortable about it? Tony, please. Tony, we can't hear you. Or I can't hear you. Tony?

Tony Harris: Hello, hello, sorry just getting off mute. Can you hear me?

Julie Bisland: Yes, thank you.

Erika Mann: Yes, it's perfect now.

Tony Harris: Sorry, yes. No I just – I read the letter from the Board and I just sent a comment on the chat. The last page almost before the end, seems to suggest that there is – they don't think we should rush this issue of the mechanism for public comment. I know we're going to discuss this afterwards, the letter, but I just thought this should be pointed out right now, because my – from what I've heard from three constituencies basically I think the first thing that needs to be defined is what would be involved for the structure? I mean, what are the challenges that a structure would have to take into account which is

probably a bigger question and more important than which of these mechanisms might adjust to charter questions. But that's my personal opinion right now. Thank you.

Erika Mann: Thank you, Tony. And for those who have not been with us at the last call or the call before, I know that some of you haven't had the chance, keep in mind that at the last call there was a discussion and Recommendation 2, (unintelligible) Sara Berg who was one of on our call as an eternal advisor to involve her in framing these four mechanisms based on our input in a completely neutral and objective way without favoring any kind of model just helping us in putting all the bits and pieces together we need to consider further or bits and pieces which we already have made a judgment upon including questions like timing or question like cost factors.

And very generally the management agreed that that's okay as long there is no overlap into any kind of personal opinion from her which, I mean, she's a pure professional so she will not do this. So this is already one part of the question you raised, Tony, and the reply we have seen from the Board which I believe we all agree upon that we need the time to get our work done in an orderly fashion and that we don't rush it.

On the other side, I mean, that's my personal opinion, there comes a day where we'll have to make a recommendation I mean, debates can continue forever and there will be a day where a recommendation will have to be made. Keep in mind as well that we already recommended and we sent you a letter, Ching and I, a recommendation not to have the high interest meeting in Panama exactly because of this because we need a bit more time to present to the community a proper recommendation and not a recommendation the way it is shaped right now. So I fully agree with your comment and the recommendation from the Board.

Any other comment? I'm looking at the chat room, so Julf is saying he's fine that the leadership start the first draft. Tony, we just heard. Vanda and

Sebastien who were late, the question, Sebastien and Vanda we put forward was whether you feel comfortable that the leadership team is doing a first draft concerning the charter question in relating – relation to the four mechanisms. So feel free to comment on the chat room if you agree to this and we can move forward.

Sebastian, please. Are you raising your hand, Sebastien or are you confirming? Got you. Thank you so much. Carolina is saying yes. Vanda is saying yes. Marilyn is saying yes. So I think we get an understanding that we have the support to do this.

Jonathan, wonderful to have you with us as well. Nadira, Hadia is fine. So I do believe we have a broad support. Marika, can you remind us about the timing we discussed it in our leadership call but can you remind us and everybody please about how we would love and what kind of timeframe we are looking forward to send the first draft to this group?

Marika Konings: Thanks, Erika. This is Marika. I think the hope or the aim is for the leadership team to work on this so that a draft can be shared well in time for ICANN 62 so that hopefully the face to face meeting there can be used to, you know, get the feedback of the group on the charter questions and maybe work through some of the questions that may be more difficult or where there are more different viewpoints. But I think at least that is the aim at this stage.

Erika Mann: Marika, you always have a better understanding about the timing, so what would be the first time we would be able do – send a draft to this group because I – we need to do it in advance of the Panama meeting so at everybody has the time before they start traveling to see actually the draft, you know how (unintelligible) it is if we send it out too late. What would be the first possibility we would have?

Marika Konings: Yes this is Marika. So looking a bit at the calendar and assuming when everyone will start traveling, I'm guessing that at the latest we would aim to

send it by the 18th of June because that should hopefully give people enough time especially taking into account the flight time to look through the document, but of course it will depend a bit on availability of the leadership team of course to work on this so ideally we'll be able to finalize or circulate it earlier but I would guess at the latest it would need to get circulated is by the 18th.

Erika Mann: Yes, this sounds good. Any point of consideration? Ching, you said it's only three weeks until Panama, that's correct. Can we work with this timing, 18th of June? Can we at least try, everybody? Okay. Ching is typing and just waiting to get his confirmation. Yes, let's try our best and from the leadership team we will certainly, Marika, we will certainly do the best to get this done and as much as we can. Okay. I'm – I don't – there's nothing new coming from Ching, so okay.

We will do our best to get out on the 18th and hopefully we then can have - if it's not perfect and there's still bits and pieces missing, it's important that you have a draft and we then will continue working until the Panama meeting so we may send you just shortly before Panama maybe a second draft in case it's needed but we will try our best to avoid this situation.

Okay let's have a quick look at the letter, if you all agree? I don't think so we need to continue this discussion here. So could we move now to the letter which we received from the Board, because I think it fits nicely into this question. For those who joined a little bit later I mentioned that – and we discussed Point 3, next step for addressing charter question, it would be good to take into consideration as well all the points raised by the Board so this gives us some time to reflect upon the decisions and the points we already debated and discussed, things which we have to reflect upon when we look at the charter questions in the light of these four mechanisms and maybe other points which we are still open on the agenda.

So Becky, I will put you on the – and would like to ask you maybe to comment a little bit more on this letter. First of all let me thank you for sending such a detailed and well drafted reply to us. Timing is perfect and I'm very thankful that you actually managed to have a little debate with the Board members. It's not always easy to get and you have a busy schedule right now. So, Becky, would you like maybe to make a first introduction and then we can have a first debate. We don't need to discuss to finalize the debate; I'd just like to get a little bit of insight from you. Becky, can you hear us?

Might be the case that Becky is on mute or maybe she is following our discussion but is not able to speak. So what I will do I saw somebody else who wanted to talk. I see from Becky she can – I can hear but can't seem to be heard. So can somebody please check with Becky what is going on?

In the meantime let me do a quick introduction – or Tony, is this a new hand? Do you want to say something?

Tony Harris: No, I'm sorry, it's an old hand.

Erika Mann: Okay. So let me do a quick introduction so I think the points here, when you look at them, many of them we had on our agenda and we tried to implement them as much as we could into our agenda but we need to reflect, as I mentioned before, upon them again. So the fiduciary obligations and responsibilities for funds, now this goes a little bit further than what we have debated in the past and I'm pretty sure Becky will want to raise some more topics concerning this topic. The same is true for the Board diligence. We do know about this and we – but there might be point Becky would love to raise

ICANN mission, we tried our best to put this into context and to have topics – somebody is scrolling and it's not allowing me to continue to scroll. I don't know. Did somebody change the options?

Marika Konings: No, Erika, it's…

((Crosstalk))

Marika Konings: …still unsynced. Everyone should be able to scroll for themselves.

Erika Mann: Okay, maybe the system is overloaded with scrolling options. And then the
                    next item on the agenda is the effective and efficient process of selection and
                    proposed mechanism and that's the topic Tony raised and that's the topic we
                    have to pay in particular attention to so really to be careful so that anybody
                    who is going to reevaluate what we are doing and reevaluating the process
                    really feels confident and sees that we have taken an objective and fair
                    decision based upon the task which we had ahead of us.

                    Preservation of resources and use of existing expertise is one topic. Global
                    and diversity values, which we tried to take into consideration but we may
                    have to look at them again. Evidence-based processes and procedures for
                    evaluation, accountability, ICANN monitoring and evaluation. So I believe we
                    – and transparency, the final item. So I'm looking for Becky. Becky, are you
                    able to talk now?

Becky Burr: Yes, I am able to speak now and thank you very much for that introduction,
                    Erika. The Board did have a specific discussion about the funding
                    mechanisms discussion that the Auction Proceeds Working Group has been
                    having. We felt at this time that it was – that we didn't want to prejudge or
                    second guess the outcome of the working group but thought that it might be
                    valuable and useful for us to articulate clearly the sort of principles that the
                    Board would be obligated to apply as a matter of law and that we think are
                    valuable and responsible.

                    And so clearly, you know, the Board is responsible ultimately for the fiduciary
                    soundness and financial soundness of ICANN and to ensure that funds are
                    being expended in furtherance of our mission, that's the fiduciary obligations
                    and responsibility. And also for due diligence, I think that the Board is – has

reached a settled view that rather than allocating the entirety of the funds you know, at one time, that there should be, you know, several tranches of funding so that any mechanism selected could be monitored, we can understand whether the proper controls are in place, whether additional controls need to be put in place, whether there are any midcourse corrections that are needed.

So that's the principle that funds should be allocated in tranches over a period of several years to ensure that we have enough information to implement all of our obligations. Obviously the mission point as you mentioned, that is something that has been foremost in this group's mind that we just – for purposes of completeness we're not suggesting that the Board – that the group hasn't been thinking about it, we know that the group has and we've had interactions on those kinds of mission testing cases but just for purposes of completion – completeness, we needed to do that.

We really hope that any kind of mechanism that is selected…

((Crosstalk))

Becky Burr: …is going to focus on efficient and effective allocation employing, you know, known and established systems wherever that's possible. This is an important one but we didn't feel we had enough information on the relative costs of some of the alternatives to say where that this comes out. But obviously however the funds are disbursed there needs to be, you know, available expertise on these kind of funding and monitoring of processes.

Obviously we provided this principle on diversity before and this is not a funds should be, you know, allocated on a per region basis or any of those kind of prescriptive things, rather this really is focused on the mechanism and whatever mechanism is selected should have the capacity to evaluate proposals and to administer grants on a global basis. So that's a facilitation

rather that's not – that's really about the mechanism not about the funding allocation.

Obviously when we were talking with the experts we heard a lot about evidence-based processes and procedures to make sure that we are evaluating proposals and monitoring them to understand whether they're effective as opposed to just theoretical. And no matter what, whether it's an inside or outside functionality there has to be accountability back to the Board and then accountability to the ICANN community through that.

And of course ICANN would – whatever mechanism ICANN would have to be involved in evaluating it on an ongoing basis as well. So the – those are the principles that we wanted to provide along with transparency and independence. And we thought rather than sort of weighing in on whether we should eliminate mechanisms at this point, we thought that it – we really need to understand the sort of costs and effectiveness implications of the various approaches in order to – in order for the group to make its final determinations with respect to recommendations.

And as always, we definitely value the ability to sort of participate in these calls and to – and the interactive and proactive way in which the CCWG Auction Proceeds is working with the Board on this.

Erika Mann: Thank you very much, Becky. I have Jonathan. Jonathan, please. Jonathan.

Jonathan Robinson: Yes, do you hear me now?

((Crosstalk))

Erika Mann: Yes, speak up a bit.

Jonathan Robinson: Okay, I will do.

Erika Mann: Perfect.

Jonathan Robinson: Do you hear me fine now?

Julie Bisland: Yes, much better.

Jonathan Robinson: Erika, can you hear me okay?

Erika Mann: Yes.

Jonathan Robinson: Okay great. Thank you.

Erika Mann: Jonathan, yes.

Jonathan Robinson: That was a good tour of the document, very helpful. One thing that – and it may not be solely for you and Maarten, Becky, but with regard to costs, I'm thinking about funding this – and so for example, the thing that made me think of it was the communications plan, but it could just as easily be other administration mechanisms. Did the Board discuss and is the view of the Board that any direct costs like communication, like any mechanisms that are set up should all be funded by – you know, out of the proceeds or is there a thought that some of these – the costs, for example, that the communications plan would be covered from ICANN's general budget? Thanks.

Becky Burr: That's a very interesting question, Jonathan.

((Crosstalk))

Becky Burr: And I'm not sure that the Board has actually discussed that. The costs for administering, evaluating, monitoring the program obviously would be borne out of the funding – I think we've been contemplating that altogether. Discrete items such as a communication plan in advance I don't think that we have discussed that in particular although I would think that, you know, when you

look at the sort of – the funding versus expenses ratio for example, that foundations publish, that they are inclusive of outreach with respect to the opportunity itself.

So I think however it's allocated in terms of where the funding comes from, we would – when we looked at the overall cost efficiency we would certainly want to consider the costs associated with a communication plan as part of that.

((Crosstalk))

Jonathan Robinson: Yes, so if I may just respond briefly? That's a great answer, Becky, and it's a good point that in terms of measuring the efficiency of the use of the funds it would be good to take a holistic appraisal of costs regardless, but actually it does strike me that (unintelligible) be a bad idea for this group to have a little table of costs at some point and anticipate a very high level breakdown of the costs and possibly even with the help of ICANN Finance and just make sure we understand what the key categories of costs.

And maybe that we need to go further down (unintelligible) maybe part of our evaluation of mechanisms and then just be able to track those key areas of cost and just understand where those might be funded from, in other words, are they funded from the core auction proceeds or are they covered by ICANN costs, by ICANN – for example, I mean, another good example would be the running of this group.

Now I think it's all our common understanding that the running of this CWG, there are a number of costs associated with it, and this is the preparatory work for setting up the mechanisms and all the rest of it, and this is not expected to be taken out of the auction funds. But, you know, it may be useful…

((Crosstalk))

Jonathan Robinson: Yes, and thanks, Becky, for confirming that. But it may be useful to just have a view at that sort of high level where the various costing might be expected to come from. Thanks.

((Crosstalk))

Erika Mann: Thank you, Jonathan. Yes, Ching, I have you on the list. Just for our to do list, Marika, can we put this item as a to-do item on our list? I have no clear recommendation yet how we can take this item forward but we may need an exchange about this topic with Xavier and with Sam. We don't – I would not recommend not to do it today but just have it on one of our next calls. And it's not a question – the financing about the administrative costs which we already debated and which we will have to pick up for the future funds but it's the question what kind of cost factor ICANN Org practically will contribute to and what kind of aspects are taking out either from the funds in the future or are taking out and contributed from ICANN Org. If I understood you right.

((Crosstalk))

Erika Mann: So…

Xavier Calvez: Erica, this is Xavier. Can I come in?

Erika Mann: Yes, Ching, I have you. I have you – who is this?

Xavier Calvez: Xavier.

Erika Mann: You want to come in right now or you want to – yes, go ahead.

Xavier Calvez: Thank you. Not trying to answer those questions that Jonathan covered about where the funding comes from and what the larger reserve costs are, but and it's going to be a little bit more of a personal opinion at this stage rather than

a formal statement based on analysis that have not yet been done. But my views would be that we would look at any costs pertaining to the auction proceeds disbursement process to be carried out and funded from the auction proceeds themselves looking at it from a – the principle of standalone operation.

So if you look at the auction proceeds as a standalone project, all the costs driven or pertaining to the auction proceeds would be funded by the auction proceeds. From a principle that's very simple, is that ICANN's ongoing funding is not designed to cover the – a process that is so exception as the auction proceeds is. So the policy development process or similar activities that you all have been carrying out either as the drafting team or as this CCWG, is part of the policy development type of work that ICANN funds and that's why it's not funded from the auction proceeds.

But once we are starting to develop any implementation of the recommendations, that will result from this process, then it becomes an auction proceeds-specific activity and my expectation would be that it would be funded from the auction proceeds. And that would be all inclusive of the communication plan to talk about the auction proceeds, to present it, to inform the world about it as an illustration. Thank you.

Erika Mann: Ching please.

Ching Chiao: Thank you, Erika. This is Ching Chiao from ccNSO. But I'm actually speaking on a personal capacity right now. And thanks again, Becky, for the explanation. I'd like to offer two comments/observations here, and one, I mean, first one is in line with the costs – I mean, happening just then. And I would like to maybe seek for clarification now or maybe later is that the 5% that was brought up that particular threshold, the 5% brought up by Steve, you know, in the letter that he sent to us last year, didn't show up in this particular letter.

I think the group after the, you know, the discussion over the last few months within the group and also with the external, you know, advisors or, you know, volunteers that joined the call, so we realized the flexibilities needed for various you know, mechanism that is not in place. So I would like to seek perhaps for a more clarification on this 5% threshold. Is the Board still looking at a hard threshold or from this letter it seems that it has more kind of broadened and give us a certain level of flexibility of, you know, having a kind of a cost effectiveness threshold but depending on different mechanisms. So that's, you know, my first question and, you know, or, you know, the observation.

And number two is, Becky, you mentioned about – and also in the letter I think it's just very useful, very clearly indicated that the Board would like the funds to be distributed over the next few years and also in tranches, which is I think when we discussed and also designed the mechanism as of now, we're also looking at the timing factors meaning that I think the group and also you pointed out maybe the Board would like to try something in the very beginning perhaps with one mechanism and later it stays on track it would continue but if not we would have that ability to, you know, change the course of maybe to modify it.

So I'd like to see if in this letter or in the future in the design we have that flexibility, you know, blended in in our initial report. So let me stop here.

Becky Burr: Okay.

Ching Chiao: Thanks again.

Becky Burr: Just in terms of the, you know, the overheard percentage figure, 5%, whatever it is, I think that what is reasonable and what is cost efficient and cost effective depends on the circumstances and the nature of the grants that are being made and so that number was never intended to be a hard and fast number. I think that there are circumstances in which 5% overhead would be

too much and there are circumstances in which 5% overhead may be too little. So I think that the goal of this is to say that the percentage of auction proceeds that go to administering the program needs to be reasonable in light of the goals of the program and should be obviously the focus should be on the use of the proceeds for the – in furtherance of the mission as opposed to administrative costs.

So I don't think that, you know, 5% is a minimum or a maximum or anything other than intended to say when you – once, you know, all of the pieces are in place, you know, what the size of the grants are likely to be purposes, those kind of things, we must make sure that the mechanism is reasonably calibrated to minimize administrative costs consistent with the goals of the program. And that, you know, the sort of the 5%, 10% overhead thing has always concerned me that people would get too focused on it when really the goals of the program seem to me to have a significant amount to do with the kind of mechanism that's selected and that in turn the program features will drive administrative costs. So the point is the principle of effective and efficient allocation as opposed to fixation on a specific percent.

In terms of the funding over you know, a couple of two, three years and in tranches, it is very much designed to make sure that we understand as we go along that we have the proper controls in place and that we're able to adjust and correct if we discover in the middle of the first tranche that we need some additional controls.

I don't think the Board's expectation is that we would change course in terms of the mechanism although, you know, if the mechanism was very badly, you know, if it had gone off tracks quite badly I guess that would happen. But we are talking about making sure that the funds are allocated in a way that allows us to monitor, manage and ensure that proper controls are in place and put additional controls or different controls in place if we discover that they're needed.

Erika Mann: Thank you both. Ching, do you have a follow up question or is it – are your two points covered? Okay, he's writing he's good. So then I put myself on the – in the queue and I have few points which I'd like to pick up and like to get your confirmation and understanding about.

So one item is the question which Hadia raised in the chat room, and this is the point which I tried to explain as well at the beginning is that when we as the leadership do will do the review and looking at the relationship between charter question and the four mechanisms, we will do a review as well of the points raised by the Board. Now, most topics we covered or I would say we covered them all but there's a little bit of flavor given to some of the topics by the Board so we will be very careful in the way we will evaluate this. And we will indicate, I have no clue yet how we will do this, Marika, we will have to look into it how we will do it design-wise.

But we will find a way of showing to you in the draft which we will then send to you how we see the topics raised by the Board being covered in the charter question in related – in relation to these mechanisms. So that's one aspect. And if you don't agree with this or if you have an opinion we shall approach the topic in a different way, please be so kind to signal this either in the chat room or pick up the mic.

The second item is one which we need to discuss as well briefly, and this relates to the exchange we just had between Ching and Becky and these are the 5%. So what I had in one of our discussions the topic raised in the leadership team and this relates to the advice which we have to give to Sara Berg, if you agree that she is doing the kind of neutral and objective overview of all the topics based on what we discussed about the four mechanism and based on the charter question and the review of the Board, etcetera, etcetera.

Now my thinking concerning the 5% were the following, it would be nice to give her a range, instead of saying 5% but we give her a range maybe between 3% and 10%, I mean, not asking her in relation to the mechanism,

will this mechanism trigger a administrative cost which are 10% or 3%, but we are asking her would the – would it trigger or would the likelihood that a particular mechanism will move more forward to the 10% and another one will move forward to the 3% of 5%?

Just to get a little bit from her experience as a neutral advisor to funds, so she will have experience and I think we can get from her a broad understanding. I don't think so it's sufficient and Xavier put a warning in the chat room and I agree with him, we need the flexibility but nonetheless I believe it's good to get a little bit of flavor from her if you agree that we put this forward.

Concerning the tranches, I think we should maybe leave this for the implementation team, maybe we can put something in the recommendation because Becky, I believe if the final implementation team comes to the conclusion that very small brands shall be allowed as well because of particular conditions, local conditions or whatever, and they are very small, then maybe a tranche process is not recommendable. And this is typically similar to what other funds are doing. But that's a topic which we maybe may not have to discuss in this group. But I would love to hear your opinion.

And then the final point which I noted is something that Ching brought up and Becky said that's not what we meant, but it's nonetheless a good point to consider and this is the flexibility to change the mechanism, so we may want to provide in the recommendation and it would be nice from – either to get your advice today or later; we don't have to do it today, how such kind of triggering of a change of mechanism shall be done so that it at least legally possible.

So these were my points, I'm looking for you and to the chat room…

Becky Burr: So…

Erika Mann: Xavier is commenting. Yes, please go ahead. Is it you, Marika?

Marika Konings: No, not me.

Erika Mann: Hello?

Marika Konings: I think it may have been Becky was trying to respond?

Becky Burr: Yes, I was just going to say, I mean, obviously I could imagine a
                    circumstance where the program was structured in a way that funds were
                    allocated over time and that sort of a formal tranches were necessary. But I
                    think even if very small grants were permitted, the Board would be
                    uncomfortable with allocating all of the funding even in very small grants all at
                    the same time until we have some level of comfort that the mechanisms for
                    monitoring the effectiveness of the program are in place.

                    Because we could just end up with, you know, allocating all of the funding in
                    very small tranches and not making the world a better place in the ways that
                    we intended consistent with our mission. So I agree, I think it's for the group
                    to consider and come back and make recommendations on it, I do think that
                    the Board is committed to the notion that funds would be allocated over a
                    period of time such that we could assure ourselves in the earlier stages that
                    we had the proper controls and monitoring and evaluation systems in place.

Erika Mann: Alan? Is it? Yes, Alan next please.

Alan Greenberg: Yes, thank you. Question for Becky, when you say very small, you know,
                    tranches, very small – not tranches but very small projects, what size are you
                    contemplating?

Becky Burr: I mean, we – we have not engaged in a conversation, I was just using Erika's
                    words there. I mean, I think the point I always come back to is what is the
                    way in which we would like to use these auction proceeds – what is the goal
                    of using these auction proceeds? And once the community has agreed on

that, then, you know, then other things are going to – are going to fall in place.

I mean, I would say, you know, the more small grants you have, the higher the administrative costs are going to be but there are other you know, other considerations to take in place. And so the Board hasn't you know, formed a view, we are waiting for, you know, the inputs from this group in general.

Alan Greenberg: Yes, thank you. The reason I asked the question is there's an intersection between as you just mentioned, with overhead and the size of the grant. So if we're contemplating, and I'm not saying we should, but if we are contemplating grants in the order of $5000 to $10,000 to $15,000 for a project that is expected to be done in under a year or a year and a half, I think I would be ludicrous to do that in sections. You know, there's a good chance that the actual costs might be borne separately and I think we have to have faith in the evaluation process to try to judge people and, you know, perhaps ask for track records but the administration costs…

((Crosstalk))

Alan Greenberg: …are going to go through the roof.

((Crosstalk))

Becky Burr: Alan, let me just clear up one thing. I think the tranches – if you're making very large grants to one organization, then it makes absolute sense that the funding would be established so that, you know, some amount of grant proceeds are disbursed and when a milestone is hit, additional funds are disbursed etcetera, etcetera. I agree that in a very – in a much smaller project that will make less sense – make less sense. The other way in which we are talking about tranches is, you know, okay we're going to spend $50 million in the first year, and, you know, another – so tranches kind of cuts across two different ways. It's funding tranches within a grant based on achieving

milestones and then others is just sort of what are the amount of funds you're going to commit in any single year.

Alan Greenberg: Yes, thank you. I understood all that. I was just reacting to your statement that grants, even very small ones, should be done in…

((Crosstalk))

Becky Burr: Yes, I didn't…

Alan Greenberg: …that was the part I was reacting to, which I think would be insane. If we're going to go down to grants that small, then we have to have more faith in the process and not to do verifications and…

((Crosstalk))

Becky Burr: Right and that – and in that case I was talking about the amount of funds that get committed – the aggregate amount of funds that get committed in the course of a year not with respect to an individual grant. So I think we're on the same page, Alan.

Alan Greenberg: Thank you.

Erika Mann: I'm just looking if somebody else wants to come in? Okay, then I have one more point based on the last discussion which we – I believe we need to talk about and that's the debate which we just heard about small grants, large grants and the procedure of the disbursement of money related to it. I mean, as you know, and we have many in our group who have quite a lot of experience in funds and I supported many of the very large funds and evaluated many of them and I'm – so typically they are very good established practices how this shall be done.

So I don't think so and I'm sure we will then once we get closer to the phase where we will have to review this, we can rely on these best practices because they are done indeed in tranches. But as Alan said, there are exceptions to very small ones which are handled normally differently, and then the analysis about is this a reliable project and can we trust the partner we are working with is done typically in advance and then the grant is granted based on the judgment. And it can be done at the beginning of the grant or it can be done once the project is finalized.

There's one topic which we have debated in the past and that's why I'm bringing up this topic which we never investigated further but we might want to do it, and this is the question if we want to pre-allocate a certain amount for certain sizes of projects. We could, for example, like many funds are doing say, the amount for small projects and we will have to define what we then understand about small projects, a maximum $20 million or maximum $10 million, so that's then one basket.

And then for big infrastructure projects we could say the basket is $100 million or $150 million, whatever we believe is correct. And then we have another basket left for something else. I'm just saying this that I – if you agree I would recommend we put this on the list of reevaluation if we want to make such a recommendation and if we believe we want to do it we will have to invest a little bit more time in talking about this.

So I'm just checking somebody said somebody lost sound for me? Seems to be Marilyn. Apologies, Marilyn. I hope you can hear me again.

Julie Bisland: Everyone else can hear you…

((Crosstalk))

Erika Mann: Marika says sound is still okay. Okay. Judith is saying it's okay. And she's supporting this approach. So, Marika, can we when we do in the leadership

team the evaluation and we start working on the – on all of these questions can we put this on as an action item on our list and then we evaluate when we discuss those and how we do it? Marika, have I lost you?

Marika Konings: Yes, no I said in the chat I've captured this part of the notes so we have a reference in that regard.

Erika Mann: Okay wonderful. Can we conclude the item and can we move on and then I just would love to briefly ask Marika just to summarize all our action items and so that we have a common understanding between that? Somebody else who would love to comment on the exchange we just had? Alan, please.

Alan Greenberg: Yes, thank you. I'm just going to comment on the example you just gave of large infrastructure grants of $100 million to $150 million, I wouldn't have thought that's the range of things we're looking at. First of all I'm not sure the word "infrastructure" applies to what we're talking about but even if it does, you know, we're talking about a total fund of $100 million to $230 million, so I don't think we're looking at things anywhere near that kind of range, at least I wouldn't have imagined it. Thank you.

Erika Mann: Thank you for bringing this up, Alan. I totally agree, this wasn't what I meant; I didn't mean one single project up to this size, I meant a basket and we don't need to talk about the – what the name is, I mean, different nature than a small project or whatever we want to call it if we consider that's a good approach we will have to discuss it. So in the – thank you so much for bringing this up so this is then going to be corrected in the notes. Yes. Thanks.

Alan Greenberg: Thanks.

((Crosstalk))

Erika Mann: Alan, go ahead.

Alan Greenberg: No, no I was just going to say thank you. I perhaps misinterpreted what you said but that is the way it sounded to me. So thank you for clarifying.

Erika Mann: Yes, I'm very grateful that you make the comment because it would have been some probably totally wrong in the notes. Tony. Tony is saying something similar launching a large amount of small grants, yes, I think we have concluded – we can conclude probably the discussion here and Marika, would you be so kind to summarize of all of the action items?

Marika Konings: Thanks, Erika. So what I've noted as concrete action items is that the CCWG leadership is to work on the first draft of responses to the charter questions factoring in the Board input, as well the discussions of today's meeting. This is to be circulated – the first draft is to be circulated at the latest by the 18th of June to allow for sufficient time for CCWG to review. And then the second action item I noted was CCWG to consider developing a list of cost elements to get a better idea and track key areas of cost and determine how these would be funded from auction proceeds or differently.

Erika Mann: Yes, and then the question about do we need to make a recommendation about different baskets of funds or don't we need to do this. So this would be part of once we have finalized everything I believe we will have to review what we have done and see if there are gaps and so this might be a topic which we might want to postpone until we do such a kind of gap analysis. Can you put this on the item list, Marika?

Marika Konings: Erika, I had actually captured that as part of the notes so it's referring back but if you want to track that as a separate item I can add it.

Erika Mann: No, it's fine. If you believe we will – it will be captured and we will not forget it it's totally fine. Thank you so much. Okay, then let's look to the next item on our agenda which is the planning for ICANN 62. Marika, please be so kind, give us an update and I sent you a short note and short email, we discussed

this again in the leadership team and we do believe that the high interest meeting is not recommendable for Panama but more for Barcelona, nonetheless we recommend to have an exchange with the community. So, Marika, please give us an update about where we are and what this change would mean in practical terms.

Marika Konings: Yes, thank you, Erika. This is Marika. So as Erika noted she sent a message to the list earlier today indeed explaining the suggestion of moving away from the high interest topic session as, you know, we originally requested that on the notion that an initial report would be ready and could be presented and discussed with the community. I mean, we obviously are not there yet so as such it may not be appropriate to, you know, build this as a high interest topic session and take up, you know, valuable community time to provide more of a status update on where things are and explain where we're going next.

So the proposal is instead of having that high interest topic session to kind of repurpose the meeting and make it our face to face meeting where, you know, the initial part of the session would be focused on providing an update to the community on where things stand and what the expected next steps are. So that allows for the broader community to at least be aware where things stand.

But as said, you know, we don't have any initial recommendations or anything to discuss yet that would really require kind of a broader community engagement. In addition to that, Erika and Ching are both also available to go and speak to any of the groups that may be interested in having a further conversation, again, in conjunction with appointed – the appointed members to this group as, you know, obviously you're the first point of contacts for your respective groups in providing the status update.

And of course as work then progresses, you know, we do have our newsletter that we will update shortly after the ICANN meeting. It also provides another outreach mechanism and an update to chartering organizations as well as

interested parties with regards to, you know, what is being discussed and what they can expect next. And again, we hope that this then will allow for more interactive engaging session in – at the next ICANN meeting where, you know, hopefully we would have the initial report ready and there are specific recommendations that can be discussed and deliberated with the broader community.

So in effect, that would mean that the high interest topic session would be deleted but in its stead we would have a face to face meeting which would be then scheduled at the same time as the high interest topic session was originally foreseen for which is Wednesday the 27 of June from 3:15 to 1645 local time. And again, you know, if there are any groups that want to have further conversations or further updates the leadership team is available to work with you on making that happen.

Erika Mann: Thank you, Marika. I just want to read a quick comment from Marilyn, I understand she can't – she's traveling and can't say something if I read her comment correctly. So she's concerned that we are – this will look like we are avoiding a discussion with the community. And the idea, Marilyn, is not to avoid it but these high interest meetings we would love to have them in Barcelona in – because we want to present a recommendation and then to have a more precise discussion about it.

And if you remember when we had the discussion and when we applied for this particular meeting category we had – we were still believing that we would be able to deliver the draft recommendations which we are actually not. So we want to have the exchange with the community which we have done in the past, if I remember correctly, at all of our ICANN meetings, since we exist, but we just want to change the nature of the meeting, not to raise expectation which we can't then finally meet.

Sebastien, please. Sebastien, can you hear me?

((Crosstalk))

Sebastien Bachollet: Can you…

Julie Bisland: Go ahead, Sebastien.

Erika Mann: Just say something, Sebastien.

Sebastien Bachollet: Can you hear me okay, Erika?

Erika Mann: Totally, Sebastien, all is fine.

Sebastien Bachollet: Okay, thank you very much. I answer you on the – at the top of the hour but I think you need to be a little more careful with your time and the time of all the people. I think don't give a presentation to each and every groups because it's a lot of time lost. I don't know how we can do that but I think you need as a leadership team to give a presentation to the – eventually a webinar prior to the meeting and just spend time to discuss with the group who wants to discuss but not spending time because usually we have, I don't know, 15 minutes – 12 minutes for presentation and 3 minutes for discussion, therefore I would urge you to find a new way to do that and to have the presentation done before and just discussion with the group who want to have you. It will be better for your time and I think it will be more useful for the time of the participant also. Thank you.

Erika Mann: Thank you, Sebastien, that's very considerate and kind. We made this recommendation because two groups approached us last time, it was the GAC and Marilyn with the Business Constituency so we had an exchange two groups and so for fairness and to give everybody the chance to have such kind of exchange always in combination with the appointed member of a particular group we were just considering to do this, but your point is well taken. Thank you so much, Sebastien.

Anybody else who would love to – Tony, please.

Tony Harris: Yes, can you hear me?

Erika Mann: Yes, I do.

Tony Harris: I just wanted to be clear to report back to my CSG, the initial report then will not be presented in Panama, is that correct?

Erika Mann: That's correct, Tony. We just can't do it with all the topics we still have to do and the evaluation based on the – what we received from the Board even recommends more carefulness so we are now targeting Barcelona, but I'm very, very to get this done and Ching as well and to get this done by Barcelona. I don't think so we should postpone this any further.

Tony Harris: Okay, thank you.

Marika Konings: Erika, this is Marika. I have my hand up as well.

Erika Mann: Marika, go ahead. Please go.

Marika Konings: Yes, I just wanted to respond that, you know, one of the reasons as well to move away from the high interest topic session is that the SO/AC planning committee has made quite clear that, you know, those sessions were, you know, the full community is expected to show up, are not to be used for mere updates.

You know, those should be done in a different kind of format and we've suggested before if there's indeed an interest from the community to have, you know, a more detailed update but there's no time to do that as part of the Panama schedule, you know, there are other ways in which that could be done, a webinar could be organized, as I mentioned in the chat as well, we have been using the newsletter as well as a mechanism and a vehicle to

reach out to the chartering organizations to make sure that, you know, they are staying up to date with regards to where the CCWG is at and similarly, you know, I think as Tony has just made clear as well, you know, members are also taking a responsibility here in making sure that their groups are, you know, keeping up to date and, you know, are aware of what is – what is happening.

But we do want to avoid a situation where, you know, we go ahead with the session and then, you know, everyone turning up is like well, you know, there's nothing new here; this is basically you know, just a bit more from what we heard last time, so that might mean the next time we ask for a session the group may say well, no, because sorry, you didn't really follow the guidance that was given. So I think that is a bit the idea, I mean, we still have a session, there still is going to be an update.

As said, you know, there are other ways in which we can consider, you know, how to provide more or regular updates and you know, if anyone has any suggestions of how we can do that in talking to different groups or indeed, you know, I see some support for a webinar in the chat, I think those are all things that we can consider but I think we have to be very conscious that especially for the policy forum there is, you know, very little time available and there's been clear direction from SO/AC leaders that, you know, the focus should really be on topics where there is, you know, community engagement is necessary either for a next step or a public comment or very much policy focused.

So I think that's a bit the thinking behind it. But again, it's not intended to avoid providing updates or not sharing information about what is being done, it's just trying to find a more efficient way in doing that.

Erika Mann: Thank you, Marika, for giving more background information about the thinking of the SO/AC. Alan, or it's Tony, is this a new hand or is it an old hand? Okay, Alan, please.

Alan Greenberg: Yes, thank you. I just wanted to note that Marika added something at the end saying that the exception to doing something at a policy forum as an update or something like that is based on timing. As an example, the RDS Review Team is meeting and we're technically billed as a high interest session but the description clearly makes it obvious that this is an update of where we are and soliciting input but we're at the stage where if we don't do it now, Barcelona is going to be far too late. So it, you know, these things have to be conditioned based on where we are in the overall cycle and although it would be nice to be at that stage in this group, we're clearly not given that a few weeks before the meeting we don't have anything related to either a draft report or even the substance of it. Thank you.

Erika Mann: Thank you, Alan. Marilyn, I hope this is – these are convincing arguments and I hope we can move forward with the changes which we are recommending. I don't see anybody else who wants to raise something concerning this topic, otherwise I'll move forward. Okay, then let's have a look at 4.5 with the finalization of the preamble and the reminder to review the projects examples by Monday which what is it, June 4, at 16 o'clock – six o'clock UTC.

This is just a reminder, please be so kind to look at this because we really would love to finalize these two chapters of our work and then not finalize in the sense that nothing can be changed but they then will go to the list of recommendations and if we receive further comment in Barcelona we can consider if we want – before we make our recommendations public if we want to make some further changes. But I hope they can go then to the – to the list of publications for public comment and then there's still time once we receive the comments back for the public comment period and then there will be still time in the future to review these two items.

Anybody else who wants to say something concerning the point 5, finalization of the preamble on the review project?

Marika Konings: Yes, this is Marika.

((Crosstalk))

Erika Mann: Marika, go ahead.

Marika Konings: Yes, just to note that as we didn't get any further input on the preamble I think that document should now be considered as, you know, final or at least final for inclusion in the initial report so the only thing that indeed remains open is the projects examples for which, you know, Monday the 4th of June is the deadline.

Erika Mann: Okay, thanks for clarifying. But if somebody wants to raise a point concerning the preamble take your time until Monday but I understood Marika, we already decided it's close to period but nonetheless if somebody finds a major point feel free to send this to us until Monday at six o'clock UTC.

Okay, last item on the agenda, so it's our next meeting is on 7th or 14th? We kept these two dates in because we are not certain until we will actually be able from the leadership team to send you the topic we discussed today and the question how the charter questions relate to the four mechanisms and the topics which were sent by the Board to us. So we may need a little bit more time than a week. We are very doubtful we are able to manage this in a single week, that's why it would be great if we could keep this topic flexible and open so if we don't have anything substantial to discuss on the 7th even a (rope) draft about how we want to move forward we would then like to recommend we have a meeting on the 14th of June. Is this okay with you all? Can we have this flexibility? Marika, go in, you want to say something?

Marika Konings: Yes, this is Marika. You know, I agree, I think it's not very likely that we'll be able to finalize this from the leadership team perspective by next week's meeting or at least not with enough time for the group to review. So I would

actually just suggest to go ahead and confirm for the 14th of June I we're able to circulate earlier, you know, hopefully that will give people time then to review and discuss on the list but I'm a bit hesitant to schedule a meeting for the 7th if we already quite know for sure that it will be very difficult to make that deadline, maybe we should just go for the 14th.

Erika Mann: Yes, I'm fine with it. I'm always happy if one – if we can take a clear decision, it's much better. And just looking at chat room if somebody is objecting to it so the idea is we cancel the meeting on the 7th and we have our next meeting on the 14th. No objection as far as I can is coming in. Perfect. Let's do this, and so the next meeting is on the 14th and you get now 10 minute back of your time today. Julie, please be so kind to shut down the meeting and thanks to everybody.

Julie Bisland: Thank you, Erika. Everyone, thank you for joining. Today's meeting has been adjourned. (Ed), can you please stop the recordings and everyone have a good rest of your day or night.

END