REPORT ON THE TRANSITION
OF THE STEWARDSHIP OF THE INTERNET ASSIGNED
NUMBERS AUTHORITY (IANA) FUNCTIONS

Third Quarterly Report

The Consolidated and Further Continuing Appropriations Act, 2015, Public Law 113-235, directs the National Telecommunications and Information Administration (NTIA) to report on all aspects of the proposed transition of the U.S. government's stewardship role over the Internet Assigned Numbers Authority (IANA) functions. NTIA's previous reports and detailed background can be found at NTIA's web site.[1] This third report covers activities from April 1, 2015 through June 30, 2015. As required by Public Law 113-235, NTIA will update this report on a quarterly basis.

I. Status Updates of Multistakeholder Process to Develop Transition Proposal

A. IANA Stewardship Transition

The multistakeholder community continues its efforts to develop a plan for the transition of NTIA's stewardship of the IANA functions. As noted in our initial report, the work is divided into three parts: (1) protocol parameters; (2) Internet numbering resources ("numbering"); and (3) naming-related functions.[2] The IANA Stewardship Transition Coordination Group (ICG), established to compile and ultimately submit a consolidated transition plan to NTIA, received the protocol parameter and Internet numbering related proposals in January 2015. The Cross Community Working Group (CWG) on naming-related functions released its third draft proposal in June 2015. The proposal was approved by the CWG chartering organizations (ccNSO, gNSO, SSAC and GAC) during ICANN's most recent meeting in Buenos Aires. The ICG will now work to combine the three proposals into a consolidated transition proposal and seek public comment on all aspects of the plan. The ICG still expects to complete its work by October 2015.

On June 16, 2015, NTIA posted a blog highlighting the next steps with regard to the ICG process and the need for the ICG to build a public record for us on how the three customer group submissions tie together in a manner that ensures NTIA's criteria are met and institutionalized over the long term.[3] The NTIA Assistant Secretary also spoke at the ICANN meeting in Buenos Aires where he noted his views on the current state of the process and the schedule. He posed several questions for consideration by stakeholders and noted several important factors that contribute to the timing of the transition, including the U.S. government review, the IANA contract extension,

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[1] These reports and other NTIA publications on this topic can be found at: http://www.ntia.doc.gov/category/iana-functions.

[2] NTIA, "Report on the Transition of the Stewardship of the Internet Assigned Numbers Authority (IANA) Functions" (Jan. 30, 2015), *available at*: http://www.ntia.doc.gov/files/ntia/publications/iana_report_013015.pdf.

[3] "NTIA Announces Intent to Transition Key Internet Domain Name Functions" (Mar. 14, 2014), *available at*: http://www.ntia.doc.gov/press-release/2014/ntia-announces-intent-transition-key-internet-domain-name-functions.

and the need to work out the specific language of bylaw changes. He reiterated the need for the community to focus on the fact that any proposal will be evaluated against the NTIA criteria and that a renewed focus on how any proposal satisfies those criteria is vital.[4] Finally, he encouraged the community to focus its efforts on those matters that need to be resolved in order to complete the transition in a timely and responsible manner.

B. Enhancing ICANN Accountability

In addition to the IANA Stewardship Transition efforts, the community is also engaged in a parallel process to enhance ICANN's accountability to the global Internet community and to strengthen accountability mechanisms prior to the transition.[5] The Cross Community Working Group on Accountability (CCWG), composed of appointed representatives from ICANN's Supporting Organizations (SOs) and Advisory Committees (ACs) as well as being open to all interested parties, is examining accountability mechanisms regarding the entirety of ICANN operations.[6] The CCWG charter identifies two work streams. The first work stream identifies accountability measures that need to be in place before the IANA transition occurs, and the second addresses accountability measures that should be adopted and implemented by ICANN in the longer term.

In May 2015, the CCWG sought comment on its draft proposed enhancements to ICANN's accountability framework. The CCWG draft focused on, among other things, the mechanisms for community empowerment and amendments to ICANN's Bylaws that will be required to implement those mechanisms. Some of these mechanisms could include barring the ICANN Board from unilaterally expanding ICANN's limited mission, opening ICANN-proposed budgets to amendment or disapproval from the ICANN community, and implementing a way to replace individual ICANN board members or the entire Board as a whole. The CCWG also focused on further work necessary to more clearly define the ICANN "community," as well as "community consensus" and how that can be reached. The draft also discussed that the core elements of the current *Affirmation of Commitments* (AOC) between ICANN and NTIA should be incorporated into ICANN's Bylaws, as an appropriate means of ensuring that ICANN will be held to the commitments agreed to in the original AOC. The CCWG also advanced its work on improving ICANN's review, redress, and reconsideration mechanisms, focusing primarily on changes needed in the current Independent Review Process (IRP). Finally, the CCWG discussed the specific "stress tests" that need to be agreed to and implemented in conjunction with the IANA transition. More than 60 comments were filed in response to the CCWG draft report.

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[4] Remarks by Lawrence E. Strickling, ICANN Meeting 53, Buenos Aires, Argentina (Buenos Aires Remarks) (June 21, 2015), *available at:* http://www.ntia.doc.gov/speechtestimony/2015/remarks-lawrence-e-strickling-assistant-secretary-commerce-communications-and-i.

[5] *See* Enhancing ICANN Accountability, "Opportunity for public dialogue and community feedback" (May 6, 2014), *available at:* https://www.icann.org/resources/pages/enhancing-accountability-2014-05-06-en*; see also,* Enhancing ICANN Accountability: Process and Next Steps (Revised Oct. 10, 2014), *available at:* https://www.icann.org/resources/pages/process-next-steps-2014-10-10-en.

[6] *See* ICANN Announcements, "Proposed Charter for Enhancing ICANN Accountability Cross Community Working Group (CCWG) Submitted for Consideration" (Nov. 5, 2014), *available at:* https://www.icann.org/news/announcement-2014-11-05-en.

During the June 2015 ICANN meeting in Buenos Aires, the CCWG met to review the comments submitted and agreed on a methodology for engaging with the broader ICANN community. Throughout the week in Buenos Aires, the CCWG engaged in vigorous discussions with all members of the ICANN community. A wrap-up CCWG meeting was held at the end of the week to outline next steps. The CCWG plans to incorporate community input into a revised proposal, which will be circulated for public comment in advance of the October ICANN meeting in Dublin, Ireland. The goal is to finalize a proposal in time to submit it to NTIA alongside the stewardship transition proposal.

These two multistakeholder processes – the IANA stewardship transition and enhancing ICANN accountability – are directly linked, and NTIA has repeatedly said that both sets of issues must be addressed before any transition takes place. ICANN has indicated that it expects to receive both the ICG and CCWG proposals at roughly the same time and that it will forward them promptly and without modification to NTIA.[7]

C. Transition Timing

NTIA has never set a deadline for the transition, but September 30, 2015, the current expiration date for the base period of the IANA contract, has been a natural target for stakeholders to work toward. However, NTIA has repeatedly stated that the stakeholders should take whatever time they need to develop a transition plan that fully meets the NTIA conditions. In May 2015, NTIA sent a letter to the chairs of the transition and accountability working groups requesting that they provide by the end of June an update on the status of the transition planning and associated timeframes, including the community's views as to how long it will take to finalize the transition plan and implement it if it were to be approved.[8] Given the status of the various work streams, the time necessary for the U.S. government to evaluate the plan, and the effort needed for the community to implement the proposal, it has become clear that we will need to extend the current IANA contract beyond September 30, 2015.

II. Next Steps

In the next quarter, NTIA will continue to closely monitor the work of the stakeholder community to develop a proposal that fully meets the criteria NTIA established. Specifically, we have said that the proposal must support and enhance the multistakeholder model of Internet governance, *i.e.*, it should be developed by the multistakeholder community and have broad community support. We will not accept a transition proposal that replaces the NTIA role with a government-led or intergovernmental organization solution. The proposal must maintain the security, stability, and resiliency of the domain name system. It must meet the needs and expectations of the global customers and partners of the IANA services. And it must maintain the openness of the Internet.

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[7] ICANN, "ICANN 52 Board Statement on ICANN Sending IANA Stewardship Transition and Enhancing ICANN Accountability Proposals to NTIA" (Feb. 12, 2015), *available at:* https://www.icann.org/news/announcement-3-2015-02-12-en.

[8] Letters from Lawrence E. Strickling to Co-Chairs of the CCWG and ICG (May 6, 2015), *available at:* https://community.icann.org/display/acctcrosscomm/NTIA+Letter+to+CCWG and https://community.icann.org/display/gnsocwgdtstwrdshp/NTIA+Letter+to+ICG.

Throughout the process, NTIA has participated in the discussions as appropriate to ensure that the community continues to work in a collaborative fashion to meet the conditions NTIA established in 2014. The discussions at ICANN meetings and elsewhere demonstrate that Internet stakeholders are working diligently to develop a proposal that not only considers appropriate accountability mechanisms, but also maintains the stability and openness of the Internet DNS. NTIA will continue to monitor the discussions within the multistakeholder community as it develops a transition plan and provide feedback where appropriate to ensure that U.S. interests are protected.

Once the community develops and ICANN submits the consolidated proposal to NTIA, we will ensure that the March 2014 criteria are fully addressed and that the proposal has been adequately "stress tested" to ensure the continued stability and security of the DNS. The specifics of our review will depend in part on the thoroughness of the processes the community uses to develop and review its proposal. For example, if the community "stress tests" any new process or structures included in the proposal prior to submission, well-documented results may facilitate NTIA's review. Stress testing also provides an added level of confidence that any process, procedure, or structure proposed actually works. NTIA will also review and assess the changes made or proposed to enhance ICANN's accountability before initiating the transition. In his speech during the June 2015 ICANN meeting, Assistant Secretary Strickling reiterated the importance of delivering a fully validated plan. For example, a validated plan would not only convincingly demonstrate that it meets the NTIA criteria, but would also address any potential questions raised by proposed structure or process changes, demonstrate that the community fully understands the impact of proposed changes, reflect that the community considered relevant alternatives, propose improvements to any perceived shortcomings of existing mechanisms, and more.[9]

III.   Conclusion

The Internet community is undertaking truly historic work. NTIA is confident that engaging the global Internet community to work out these important issues will strengthen the multistakeholder process and will result in ICANN becoming even more directly accountable to the customers of the IANA functions and to the broader Internet community. The successful completion of the transition will help ensure that the Internet remains an engine of social and economic empowerment both at home and abroad.

NTIA is cognizant of the directive from Congress to inform the relevant Committees in advance of any decision related to the transition. As the proposal continues to take shape, we will update Congress on progress. NTIA appreciates interest in this important topic and thanks Congress for its continued support for the multistakeholder model of Internet governance.

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[9] Buenos Aires Remarks