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

Second 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 report and detailed background can be found at NTIA's web site.[1] This second report covers activities from February 1, 2015 through March 31, 2015. As required by Public Law 113-235, NTIA will update this report on a quarterly basis.

I. Status Updates of Multi-stakeholder Process to Develop Transition Proposal

A. IANA Stewardship Transition

The multi-stakeholder 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 multi-stakeholder community divided its transition plan development efforts 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 on behalf of the community, received and is currently reviewing the protocol parameter and Internet numbering related proposals, which were submitted to the ICG in January 2015. The third proposal covering the naming-related functions continues to be actively discussed and developed by the community through a Cross Community Working Group (CWG).

On January 27, 2015, NTIA Assistant Secretary Strickling delivered remarks at the State of the Net Conference, at which he posed several questions for stakeholders to consider as they continue to develop the naming-related proposal to ensure that it appropriately addresses the principles NTIA established for the transition and that the group produces a viable proposal. He indicated that these questions need to be resolved prior to approval of any transition plan.[3] At the ICANN meeting held in Singapore in February, he reiterated these remarks and questions. The subsequent community discussions in Singapore showed that the domain name community (through

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

[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] Remarks by Lawrence E. Strickling, State of the Net Conference, Washington, DC, (Jan. 27, 2015), *available at*: http://www.ntia.doc.gov/speechtestimony/2015/remarks-assistant-secretary-strickling-state-net-conference-1272015.

the CWG) is working to develop a proposal that not only considers appropriate accountability, but also the necessary service levels and processes for directly affected parties (registry operators) to preserve and maintain stable domain name system (DNS) root zone management.

The CWG conducted its most recent face-to-face meeting in Istanbul on March 26 and 27. At the meeting, the CWG assessed and guided the efforts of small Design Teams established to address discrete issues that will be part of the draft naming proposal.[4] Sidley Austin LLP, legal counsel to the CWG, offered comprehensive legal advice on the possible post-NTIA IANA stewardship models (arrangements) currently under consideration by the CWG. As a result of these discussions, the CWG ultimately agreed to focus its legal counsel on exploring and further evolving the details and variants of an "internal model" (either within or affiliated with ICANN, utilizing ICANN accountability structures) for post-transition structural arrangements (versus a purely external to ICANN approach). The CWG will also start reviewing the "stress tests" currently under consideration by the Cross Community Working Group (CCWG) on Accountability. The next milestone for the CWG is publishing its second draft proposal for public comment, which is anticipated to be released in late April.[5]

B. Enhancing ICANN Accountability

In addition to the IANA Stewardship Transition efforts, ICANN also launched a parallel process to enhance its accountability to the global Internet community and to strengthen its accountability mechanisms in the absence of a contractual relationship with NTIA.[6] The CCWG on Accountability, composed of appointed representatives from ICANN's Supporting Organizations (SOs) and Advisory Committees (ACs) and open to all interested parties as participants, is examining accountability mechanisms regarding the entirety of ICANN operations.[7] The CCWG charter identifies two work streams. The first is to identify accountability measures that need to be in place before the IANA transition, and the second is to address accountability measures that should be adopted and implemented by ICANN in the longer term. The CCWG identified four distinct work areas: (1) overview of existing accountability mechanisms; (2) review of public comments filed in response to ICANN's proposed accountability process to categorize them as either Work Stream 1 or Work Stream 2 items; (3) review of accountability issues identified by the CWG; and (4) identification of contingencies or threat scenarios.[8]

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[4] *See* CWG to Develop and IANA Stewardship Transition Proposal on Naming Related Functions, "Design Teams List," (last modified on March 24, 2015), *available at*: https://community.icann.org/display/gnsocwgdtstwrdshp/Design+Teams+List.

[5] ICANN, "CWG-Stewardship Chairs' Statement / Summary of Istanbul Face-to-Face Meeting" (March 29, 2015), *available at*: https://www.icann.org/news/announcement-2015-03-29-en.

[6] *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, 2104), *available at:* https://www.icann.org/resources/pages/process-next-steps-2014-10-10-en.

[7] *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.

[8] Cross Community Working Group on Enhancing ICANN Accountability, "Charter" (Last Modified Dec. 11, 2014)(Adopted by 5 organizations), *available at*: https://community.icann.org/display/acctcrosscomm/Charter.

On March 23 and 24, the CCWG on Accountability also conducted a face-to-face meeting in Istanbul. The CCWG focused primarily on 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 agreed that further work is necessary to more clearly define the ICANN "community," as well as "community consensus" and how that can be reached. Agreement was reached that 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 reviewed work to date on the specific "stress tests" that need to be agreed and implemented in conjunction with the IANA transition. The CCWG is working towards publishing a draft recommendation for public comment sometime in late April 2015.

These two multi-stakeholder 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 transition and CCWG accountability proposals at roughly the same time and that it will forward them promptly and without modification to NTIA.[9]

C. Transition Timing

NTIA has not set a deadline for the transition. September 2015 has been a target date because that is when the base period of our contract with ICANN expires. However, NTIA has the flexibility to extend the contract if the community needs more time to develop the best plan possible. It is up to the community to determine a timeline that works best for stakeholders as they develop a proposal that meets NTIA's conditions.

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 multi-stakeholder process and will result in ICANN's becoming even more directly accountable to the customers of the IANA functions and to the broader Internet community.

II.   **Next Steps**

NTIA will continue to work closely with the stakeholder community as it develops a proposal that fully achieves the criteria NTIA has said must be part of any transition plan. We have said that proposal must support and enhance the multi-stakeholder model of Internet governance, in

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[9] 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

that it should be developed by the multi-stakeholder community and have broad community support. More specifically, we will not accept a transition proposal that replaces the NTIA role with a government-led or intergovernmental organization solution. Second, the proposal must maintain the security, stability, and resiliency of the domain name system. Third, it must meet the needs and expectations of the global customers and partners of the IANA services. And finally, it must maintain the openness of the Internet.

In the year ahead, it will be absolutely critical to the interests of the United States that NTIA continue to monitor the discussions within the multi-stakeholder community as it develops a transition plan and provide feedback where appropriate. Specifically, NTIA will:

- participate in meetings and discussions with other governments, the global stakeholder community, ICANN, and VeriSign with respect to the transition or planning the transition;
- if appropriate, amend the IANA functions contract to shorten the length of contract renewal option periods; and
- continue to represent the United States on the Governmental Advisory Committee meetings held at ICANN meetings and intersessionally throughout the year.

Once the community develops and ICANN submits the consolidated proposal, 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 depend on what processes the community uses to develop and review its proposal. For example, if the community conducts "stress tests" as well as tests and validates any new process or structures included in the proposal prior to submission, well-documented results may facilitate NTIA's review. This will also give confidence that any process, procedure, or structure proposed actually works. In addition, NTIA will review and assess the changes made or proposed to enhance ICANN's accountability before initiating the transition. Lastly, NTIA anticipates and welcomes the opportunity to brief Congress and/or participate in hearings once the community submits its proposal.

III.   Conclusion

NTIA is cognizant of and appreciates 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 accordingly. NTIA appreciates interest in this important topic and thanks Congress for its continued support for the multi-stakeholder model of Internet governance.

Attachment:
- First Quarterly Report – January 30, 2015