ICANN75 | AGM – RSS Governance Working Group Meeting (3 of 6)
Sunday, September 18, 2022 – 15:00 to 16:00 KUL

OZAN SAHIN: Hello and welcome to the Root Servers System Governance Working Group session 3. My name is Ozan Sahin and I am the remote participation manager for this session. Please note that this session is being recorded and is governed by the ICANN's expected standards of behavior.   Please also note that this session is intended for a discussion among the Root Server System Governance Working Group members. Other participants will be silent observers.

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BRAD VERD: Hello everyone. Good afternoon, good evening, good morning wherever you are. Thank you everybody for the conversation yesterday. I thought it went really well. Thank you everybody for

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adding comments and putting them into the document. Hopefully, everybody can see what was added and what we're building on. Today, we are talking finances. And, again, principles used to decide levels of funding collected and allocated. I think that's important for a different breakup.

And then something that we really need to think about as we talk through this is funny should be for running the RSS itself and then running the governance structure. So undoubtedly there will be overhead. One being larger than the other, obviously.

There were some reminders put in here from RSSAC58 that we thought were important to show. I think most importantly is one from 58, it states the root server governance system must include a method to assure the ability to raise funds. Those funds obviously need to be sustainable. It should naturally align with the overall purpose. And then preserve the status of the RSS as a public good. I think all of those are principles that we should keep in mind as we talk through this. So with that, I just want to dive in.

You know, obviously, there's a couple bullets here that we start with. With source of finance, the appropriate cost spreader, allocation principles, how does the funding work, meaning who gets what and how much, and then one of the questions that was

shared yesterday was the financial disbursement versus the decision making.

So with that, I'd like to open up the floor after people had the discussion yesterday. Hopefully, people are a little prepared for this discussion and see where you guys want to start or I will kick it off and start calling on people. We played nice yesterday. And, again, if I could get help with the hands, if our hands popping up. Geoff, your hand is up. Thank you.

GEOFF HUSTON: Let me try and kick this off a little bit because this is certainly an area where the prior incarnation of the RSS GWG spent some time. And again, if we're talking about principles rather than details, there were a number of principles that the group at the time thought were important. One of them was that the business of each RSO is the RSO's business and no one else's.

And what that implies as a principal is that receipt of funding should not necessarily open up the RSO itself to some form of external auditing or inspection. It's their business, not the funders business. And there should be some recognition of maintaining the integrity of that business by HRSO. In other words, the funding should be without detailed consequential audit of the business, as a principle.

Now, I don't know how important that is in other people's minds, but that was certainly something that the group felt at the time was important, but was never really tested with wider review. So I'll put that forward first as an initial principle to think about.

BRAD VERD: Ash, please.

ASHWIN RANGAN: Thank you. This is Ash for the record. Geoff, can you clarify for me the thinking there? When you say audit of the business, are you thinking about audit of how the root servers run or audit of how the finances are being used to run the root server. Difference between the two. Thanks.

GEOFF HUSTON: Yes, let me quickly answer that. Audit of the finances to run the root service operation. But the problem is that, in many organizations, that may not be clearly separated and isolated from other aspects of the root servers other areas of activity. I am unsure if any RSO only performs in RSO and nothing else. I do not believe that's the case, but I've never sort of fully thought that one through or had any feedback. But it is about you shouldn't have to open up your entire business for external inspection simply to

receive funding to run the root service as an RSO was the principle. I hope that's a little clearer.

ASHWIN RANGAN: Thank you. Ash asking a clarifying question again, Geoff. So let's chase the thread just a little bit farther. It's entirely possible that the funding is contingent upon performance as measured by outcomes, rather than activities carried out. Is that something that was discussed? And could that be a way forward? Because absent that, there is really no checker balance in how funding is utilized. It could be utilized for activities outside of root server operation.

GEOFF HUSTON: And I think you're touching upon sort of the nitty gritties of that principle, which for some funding bodies, particularly the 501(c)(3) bodies in the US taxation system. This could be a problem. If you thought of funding, almost like a research grant to an institution performing research where there are promises about outcome, but that's all there is. And the activity to undertake that research is bound up in the institution. So it's entirely unclear what the service or the function is, when you're in receipt of that research funding.

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That was at the time what we thought was appropriate. Now, who knows where we want to move with this. But certainly, there is, and you're saying it quite distinctly, another principle around funding should have some demonstrable work, outcome, theme that you can account for money and outcome, whether it's a service or a capital expenditure or whatever.

And to what extent that level of accountability is externally visible and auditable is a big issue, and I don't pretend to have the answer. But it seems to be a big question here. To what extent should this funding be effectively? It's the RSOs business. It's not our business versus almost like a contract. We're funding you to do a function, nd we want to see that function done, and we want someone to check that the function was done. There are many hands I will stop now.

BRAD VERD: Jeff Osborne.

JEFF OSBORN: I did it. I didn't go first. Jeff Osborne, IFC. I have a lot of complicated thoughts on this subject, but I really want to make one thing very, very, very clear. Not only as Geoff was saying, did none of the RSOs simply have being an RSO as a business model, I don't believe any of them make any money on it. This is not to

say we are bad business people and we fail to make a profit where we should be. It's that there is literally zero income and huge amounts of outgo.

For decades, we have been giving blood, donating to children, making clothes for the poor, feeding the hungry. And so, now as I understand it, we got to the point of saying, you guys have had your free run of doing things the way you wanted to, we'd like to put some controls in place. And it was my belief, but that's when the thoughts first occurred of, well, if somebody is going to impose things on us, what are we getting for this?

And in the most basic ways since there were cavemen, when you give something up, you get something. So is it security? Is it equipment? Is it money? Is it something? I would love to get some relief from the million and a half dollars a year we spend as a small nonprofit supporting F-root around the world. That would be terrific. But it is painful to have it come out as, let's make sure you guys all get audited and you don't continue to spend this all on sheep pinky rings and cocaine because we are literally doing this as a public benefit and always have been.

So the idea of funding something, Geoff puts it very well. I don't know how many others are 501(c)(3)'s, I run a 501(c)(3). It's simply a matter of making our contributions to the public good less onerous rather than having this be some kind of thing where

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we all start having a profit.   And I hope that's clear. I just really need to make the point that this is not about we're not making enough money, we need to make some more. This is an entirely a cost center. Thank you.

JEFF OSBORN: Thank you, Jeff. Kurt, you're next.

KURT PRITZ: Thanks very much.   I think it's hard to tie the funding or continuation of the funding to outcome. Other than the outcome that the money is being used for the purpose intended, either sustaining operations or necessary upgrade to operations.

So for example, if there is some SLAs and the receiver operator doesn't meet the SLA, that seems like the exact wrong time to say you can't have any funding anymore, because that would degrade the ability of the RSO to ever meet those RSAs, those SLAs. I advocate for funding for those who need it and we have to define what need is, but I think that definition can be pretty lightweight and almost on an honor system. And then the audit part would just be to ensure the money is being used for the purpose intended.

BRAD VERD: So I guess I'm curious. I'm hearing two different things here and I'm not trying to put you guys against each other, but, Jeff, you're saying you want relief from a large expense. And Kurt, you just said that there's money for those who need it. So, I guess, those are in contradiction to the way I think about it, but maybe I'm wrong. So I'm just curious what your guys thoughts are on that So, Curt, you first then, Jeff?

KURT PRITZ: So I want to tie this back to the effort we did in our first go around where we try to do an estimate of the amount of funding that could be requested. And the answer came back about 6million dollars and if that holds true, and that would relieve whatever, crisis is the wrong word, but situation you're in and some others that need relief.

I think that's a very small portion of the ICANN budget where we could say let's try this program where we're making contributions of about $6 million a year and with the controls that see how the money, make sure that the money is being spent for the purpose intended, and see how that goes for three or five years. And that would allow us to learn what kind of controls need to be in place or how to more effectively make those contributions.

I think trying to figure that out our priority, what controls should be instituted or how to measure success is invariably going to be

wrong, because we're just going to be guessing an appropriate control. So when I was investigating joining this group, first, as a registry operator, I said, "You want to give money, I don't want to do that. " You know, registry fees are going to increase but I also learned that certain blue server operators were having trouble sustaining or making necessary improvements to operations.

And one of the purposes of this group was to get some money in the hands of some registered root server operators in the near term. In the near term is now a couple years ago. But if the original estimates are about right of $6 million, I think it's a noble experiment for I can't undertake to see how it can support those root server operators that "need it".

BRAD VERD: Jeff. Osborne first, and then we'll come to.

JEFF OSBORN: I'd like to make very clear I think that I don't want to speak for all the RSOs because we're remarkably independent, but I would rather never see a nickel than have to be coerced into doing something that I felt affected the free and open Internet in terms of how the root server system is operated. So we are not in some weak position. Last time I looked, I think we're about number two

in terms of deployed, maybe three deployed instances out there. We're doing just fine.

You mentioned SLA, Kurt, and I think that's the thing that got me going. There's no such thing as an SLA without somebody paying for something. So I don't owe you some level of service unless there is an agreement in which there is consideration and we're being paid for it. So that was one of the initial cases I think that brought up the idea of, wait a minute, money needs to change hands for service level agreements to be any kind of meaningful. And again, I'll only speak for my own organization, but we can ask the rest of them. I'd literally rather give up any penny of any sort of help than do anything that I thought would harm the operation of free open Internet.

BRAD VERD: Thank you, Jeff. Kurt, you are next, and then Geoff Huston we'll come to you. Okay. Jeff, you?

GEOFF HUSTON: Yes. I was actually trying to answer your question, Brad, about I seem to be hearing two contradictory things you said. And I think, to some extent, you are, and it is a difference in the model of funding. The funding for those who need it, is almost like active funding. You have to make your case beforehand. The funding is

effectively contingent on that case, and demonstrable outcomes are based around demonstrating that the thing you said you were going to do, was going to get done.

The other way of looking at this is in the passive sense, to say the system as a whole, could benefit from the injection of further funding. Those RSOs who wish to avail themselves of an equal share of that pool may do so without pre-making the case of me. It's just here is a pool, there are 12 operators, one troop is available to you. Yes or no, it's your call.

But after the event, you would likely to or probably be in time required to report to the community what that money did. So it's an after the event. You're not trying to meet any particular objective set by others or set by yourself. It's effectively a passive funding. Here is some money that is available if you wish to avail yourself of it. The condition is, you must tell us what you did with it and what difference it made.

And that I thought, was the model that the previous incarnation of the GWG had largely come down on in favor of advocating. So it did not tie any RSO up into any external obligation that they weren't thoroughly happy with. The funder had to take a leap of faith to create a pool of money that would benefit the root servers system.

And effectively, there's a certain amount of goodwill going on and honest intention for those RSOs who would avail themselves of that funding, but it's not clear that all RSOs would do so. And it's up to them to report after the event if they did take that, how they use those funds for the betterment of their particular RSO. So active versus passive, case before versus description afterward, pre-provision the case or post justify what I did with the money, I think are the differences. Thank you.

BRAD VERD: Thanks, Geoff. I'll come back with a couple of questions. But right now, Karl, you're in the queue.

KARL REUSS: Yeah. Karl Reuss, University of Maryland. I'd like to offer maybe a slightly different view than what Geoff did open up with for his route. We too have been running the route as a public service since the beginning of DNS, early DNS, I should say, not the very beginning. And continued to do so as a service to the public. And I think I see a more formal structure for root servers as being a good thing for the system in general versus just having us decisions that were made 20 years ago carrying over. So I see that as something we gain from this. I don't see it as necessarily tied to getting money. I think getting a good structure helps the system and helps us.

At the same time, operating under a new structure is probably going to require more administrative overhead, other things that could require funding. Funding always helps with the basic operation anyway. So we would look forward to funding possibilities, but I don't really see this as a give and take per se. I think we get a lot from a new structure just in well-being of the root system.

BRAD VERD: Thanks, Karl. Adding on to that or building from it is I'm curious about-- So yesterday, obviously, I opened with, this is all about building trust, trust in the root server system. We want to make sure that whatever governance system we put together builds trust in the community that they trust the root server system so that they know that their needs are going to be met, meaning an open internet, a single name space.

And so I guess my question and this goes to what you were saying, Geoff, about the model that was talked about in the PRS model, is if we believe or if we have a principle that the root server system can't fail, how do we build the trust? How does the root server system build the trust when it comes to finances? The idea of a pool of money that is take it if you need it, is that enough for the community or the Internet users to trust that the root server system won't fail. I guess that that's where I start from. If I'm

starting from the sentence of the root server system can't fail. Wes.

WES HARDAKER: So this is Wes, USC. Let me start with the story just because it's amusing. I contacted a management company at one point that did some monitoring because I heard rumors that they might give us their service for free because we were public good. I got a hold of the salesperson and he said, "So let's start with, we want to figure out how to increase your business. What is your current revenue so that we can figure out how much we can increase?" And I said, "It's negative." And it was just dead silence on the end of the phone. Why are you doing this?

And so, Brad, I think to follow your question, I actually find it amazing that the world trusts the RSS as an unfunded entity. It's like the entire Internet is based on something that nobody is funding. So I don't see how adding some money to the situation is not going to actually increase the trust to it.

BRAD VERD: So I guess that just to build on that, Wes, I guess my question, what the previous models suggested was that there was a pool of money and as people needed it, as Kurt say, that if they could justify it, they could take it, is that enough trust? That's my

question. For a system that is if the principle is the reserve system can't fail.

WES HARDAKER: I'm going to take that as directed as me, so why not?

BRAD VERD: It's directed to the group. All of my questions are directed to the group, but it feels like there's -- I'd love to get other people in game.

WES HARDAKER: I don't think that trust in the RSS is going to be built on one solution. We are building a complete governance system that includes funding. It includes accountability. It includes all of these pieces. And so if you look at what's going to come out of the GWG in total of the substantiated beast and funding as a piece of it, every puzzle piece that we add to that is going to make it a more trusted system because it will have all of the things that -- it's not that it doesn't have it now.

I mean, we're accountable, people yell at us when we do the things wrong. We do have funding. We have internal funding. But when it's well documented in place and we can point to it and say this is how the world works, this is how the Internet works, they

can read that and they have issues with it, they can bring it to us. But it's not one thing. It's not just the funding. It's this entire set of puzzle pieces has got to fit together well so that people will trust the resulting system and that includes funding.

BRAD VERD: Thank you, Wes. Geoff, Huston.

GEOFF HUSTON: Thanks, Brad. If you talk about trust, then you have to admit there's a broad spectrum of how to do it. In the business world, there are contracts and recourse to legal systems if failure is a prospect. Through to what we have here, which was actually relying on the good intentions of 12 benefactors and their altruism. It's hard to tell what's more trustable here, Brad. But what we have is what we're trying to build upon and not destroy. And so if you're saying, how do we make what we have better? I think we need to understand that for many of these RSOs, if not all, the job has got vastly larger and commensurately more expensive as the Internet has grown.

And the kind of conventional business answers are, well, 12 benefactors is not enough. I need 200. I need a thousand. I need a lots and lots and lots of root server operators each being a benefactor because that will then give enough money, possibly

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but that brings up a whole bunch of other questions that I don't think we're ready to address.

And so if the issue is how do we increase the pool of funding to assist these 12 benefactors if they so desire. And it's not even demonstrating a need. It's if you wish to have assistance, telling us what you do with the money afterwards is fine, but I don't think you need to say upfront. If we want to do that, then this is the discussion that's now entered the room funding for the existing operators of the service to help them with the scaling issues.

Now, I don't think there's anything wrong with a, discussing this, and b, actually instilling trust that the system can scale by actually demonstrating that the rest of the Internet, everyone else out there is willing to assist these 12 folk to fulfill the job that they've had and to continue to have. So in some ways the issue is if you want to instill trust in the current system and look forward from building upon that system, then the choice points are actually more limited. You can't put in contracts. You can't put in SLAs.

There's a bunch of things you cannot do. One answer is you've done a fine job in gathering money externally. Continue. Press on with what you're doing. I hope none of you fail. And that's certainly an answer, but I don't think it's a terribly responsible one. Another answer is to actually say, "We'd like to help. We

realize that this is escalating like crazy and relying on each of those 12 folk to somehow keep on pulling it together every year getting bigger and bigger, maybe the rest of us might be able to help in some way."

And I would say that help would be a pool of funds that the RSOs could draw upon and say, "Well, here's what we did with your money this year. Thank you." If they don't want to do it, that's fine. That's their call. But it's more trying to assist, not trying to account for every dollar, was where I was trying to describe that the previous sort of the incarnation of the GWG had got to. Thank you.

BRAD VERD: Karl and then Ash.

KARL REUSS: Karl Reuss, University of Maryland. You're ask about trust. I think the biggest trust gainer in this new system we're going to be talking about later, which is the removal function. I think people see these RSOs have been around forever and they've been doing great, but companies come and they go. They veer in different directions. Universities do too. Just knowing that there's a way to deal with something that's not going right, I think it makes

people feel a little more comfortable with the situation. I think that's more important than a lot of the other things in my mind.

BRAD VERD: Thanks, Karl. Ash.

ASHWIN RANGAN: Ash for the record. So I want to pull the thread a little bit more. If we go down a path of trust where there is a bucket of money that gets divided in whatever fashion. One manifestation of governance there could be that the governing body decides what that amount should be, who funds it, and is a part of governance then deciding how it gets distributed? What's the thinking here? Who decides how much? Who decides who gets it? What's the basis?

BRAD VERD: I heard three different questions. One of which is in the topic in the description of our document, like, the sources of the funding. So that's certainly something that we should talk about here. And then the second one was about the disbursement, which was like well, I mean, the third bullet in the paper is the financial disbursement versus the decision making and should the RSS governance system basically govern that. And then the third one, yeah, the allocation. So, I mean, we can we can jump right into

this if we want to talk about sources of finance, like where should the money come from? Thoughts?

KURT PRITZ: This is Kurt. Does anybody have a thought other than from ICANN?

BRAD VERD: We got Robert and Jeff.

ROBERT CAROLINA: Thanks. So for the record, Robert Carolina, ISC. I actually wanted to start by addressing the question that I think I heard which was, is there a suggestion that this governance structure is deciding, I can't remember exactly how it was phrased, but how money is allocated or how it is raised or something like that. And I think that's an important question.

And it actually comes back to an observation that Wes made, I'm pretty sure it was Wes, in one of the recent GWG meetings, in fact, it was the session on capture, I believe, where the question put was, well, if the RSOs all end up being funded by a single source, does that mean that the RSOs as a group or the RSS collectively has become captured by that single pair. I'll just call it the single pair for the time being. Because the principle I think isn't really

related to who is the single pair, but if you only have a single pair, does that necessarily result in capture?

And I think the answer to that is it depends on what the terms and how much flexibility the payer has in terms of making the payment. And that is, I think it's important to disentangle the mechanical act of dispersing funds, or managing funds, or banking funds from the governance process of deciding how funds will be dispersed. Those are two very different things. And my suggested answer to Wes's challenge, which was a good challenge, is that so long is there as is a clear distinction between who makes the decisions about how the spending is done, that's primarily what causes a power center to develop.

Now I think I would suggest that the corollary of that observation is that if we're trying to avoid RSS capture and RSO capture then the way to avoid the financing side of it becoming a mechanism of capture is to place responsibility for deciding how to deal with the money within this governance structure that we're discussing, not outside of the governance structure that we're discussing. Now, I welcome any follow-up questions on that, but I get that out.

BRAD VERD: Thank you, Robert. Jeff Osborne was next and then Ash.

JEFF OSBORN: Well, I just wanted to respond to Kurt about the best question that could have been asked I think. It was a terrific one to ask. Like was there anybody who thinks this is somebody other than ICANN? I showed up in this aghast body first time in Johannesburg, so let's say make it six years ago, and we were in the end stages of the 37 document. And I remember asking just what completely coming to this cold, what is the point of changing the way we're doing things? And the reasoning was ICANN wanted the root server system to be more responsible, to be more responsible to something, to a shareholder, to a stakeholder, to a multi shareholder model, something.

And so I remember soon after saying, so they're footing the bill for this. And the response was hold on. So this is always to me struck me as a little odd where the request came, but then it's kind of coy, well, we're not necessarily going to pay for it. So very good question. It really goes right to the heart of the matter. So until you figure out who's paying for all of this, then a lot of other questions are, I think, impossible to answer.

BRAD VERD: Thank you, Jeff. Ash.

ASHWIN RANGAN: Thank you. Ash for the record. So, Robert, I'm going back to what you said, I do agree with you that the mechanism of disbursement is independent of the governance over what gets disbursed, to which entity, and for what purpose. In that, I think the mechanism is just a mechanism. It's a mechanical thing. That's the mechanism. So one could argue that when once there is a body of funding, there is an entity responsible for disbursement, which awaits instructions from a governance body, which has decided what gets disbursed to whom and for what purpose. So divorcing those two is fairly clear.

The governance mechanism there is certainly something that we as the RSS need to come together on because if indeed there is a body of money, which is available to the RSOs as a collective, it behooves us to have not only a voice, but perhaps a deciding voice on that because we who knows our operations better than we do.

We each know what the others are doing and the whole body of trust that we've built over the years is based on the fact that we all pretty much do similar things, not identically, but in general, we all have a responsibility collectively to make sure that the root server systems operate. And I think each one of us takes pride in the way we do it, and in the fact that things get done regularly.

So I can see those as two distinct functions. One being something that maybe is subordinated by the government's counsel to potentially a third party who is an expert at managing and distributing funds. I think the other question still remains, which is an extremely important one from my perspective. If there is a single source of funding, is that a potential strength or a weakness.

I think that's worthy of debate because if that becomes a single point to capture, then there is an aspect of agency that we need to talk through there. It's also entirely conceivable that somebody not involved in the RSO operations chooses to fund that corpus of money. Does that become a second source of potential capture? I think those are important points to think through.

BRAD VERD: Kurt Pritz.

KURT PRITZ: Thanks. And perhaps I was a little glib with my question, but it came from the understanding that there was some sense of urgency when we started out a long time ago to provide some funding to some RSOs. And the idea that we should work to accomplish that in the near term while working out some other

things when there's more time such as appropriate controls that might be more specific or alternative sources of funding that can be developed because I understand a single source of funding is a risk in itself. So I'm for looking for additional source of funding. Number four, funding the right types of controls. But in the short term, we could establish ICANN as the initial source of funding.

BRAD VERD: Thank you, Kurt. Mr. Huston.

GEOFF HUSTON: Mr. Verd, thank you. All money has an agenda. There's no such thing as free money. There's no such thing as unlimited money. All money has an agenda. And in essence by effectively opening up this system into contributions in cash, you tend to start another debate. When the government of Fredonia picks up the entire bill, what does that do to this system when a single national entity is funding the lot? Or the Oodle Corporation that has oodles and oodles of money picks up the tab for the lot. Again, what's happening there, it's not just in terms of capture, it's in terms of the subtle influences that money necessarily has.

The question that Kurt raised, I didn't think was facetious or even an aside. I thought it was actually quite important. If you look at ICANN as a conscious effort to do a community-based

organization with multiple stakeholders, with effectively a limited ability to capture, then the real question is why not it's actually a very important one. Because there are very few other bodies with similar characteristics in this world.

So in some ways, it is, I think, necessarily an ICANN question, not just because it's the only one that we can see right now, but it's more it has attributes and properties which are highly desirable in terms of its broad constituency, its broad basis of community representation and multistakeholderism that makes it an ideal vehicle to carry this funding load through.

Now, are we talking about funding the entire system? Of course not. Are we talking about trying to assist the RSOs to do the necessary parts of scaling and transition that the future obviously has it in a hold for us? I would have thought yes. Because if we don't do it like this, we're going to be contemplating a very difficult question when one or more RSOs puts their hands up and says, "I really, really need some other assistance to do this next job. It's just beyond us." And at that point, everyone panics and goes, "Well, how do we do that?"

It would be good as an outcome of this work that we have that better thought through in advance so that such issues are not surprises, but are actually factored in. So I still would say Kurt wasn't making a joke. If not ICANN, then there are very few others

that do not have implicit agendas, which necessarily, I think, are not totally consistent with what we want from a neutral and universal root system. Thanks.

BRAD VERD: Thank you, Geoff. Robert, do you want to respond?

ROBERT CAROLINA: Yes. Thanks very much. Oh, that was me. My apologies to everybody on the call. Just proving that I don't know how to push a button properly. God, now I've lost my thought. No, I've got it wow. I've been borrowing heavily from Wes so far in this meeting, so I'd like to borrow from him again if he doesn't mind. Because he told a story a moment ago from a university and I want to do the same.

Those of you who've gotten to know me a little bit know that I spend a small part of my time teaching at a university, and I've done that for a little more than 20 years, but I'm not actively engaged in research. So my understanding of the university's business model was a little rudimentary, shall we say? I then started spending a lot more time with the university where I teach, trying to help them grow various aspects of their revenue streams. And I learned something really interesting about the

university, which has direct applicability here. So stick with me for just a second. I promise it'll pay off.

And that is, I used to think that universities made decisions about what they wanted to invest in. And maybe for a few of them in the world that have the luxury of sitting on top of almost unlimited resources, they do that. But most, let's say, medium sized or smaller universities like the one where I teach, that's not what they do. They don't make decisions about how to invest in something. They don't make decisions about what they want to buy. They don't make decisions about what they want to research. What they do is they serve as a clearinghouse for the disbursement of funds where somebody else has made a strong case that somebody else wants to finance an activity.

And I'd like to urge us or I'd like to challenge everybody to think about this financing question in that way as well because a lot of us keep coming back to this recurring theme of what will ICANN pay for? Or what is ICANN willing to spend? And I think that's a great question. It's a very interesting question.

But I think the question that it surfaces is, well, where does ICANN get any of its money? It gets money because other people in the world are involved in the business of making the Internet work and are interested in making sure that the Internet continues to work appropriately.

So in terms of focusing this question about where does the money come from, or what is the pitch, or what's going to be available. I think if the frame of reference is just what does ICANN have in the bank this year or what do they see as a level of flexibility in their current finance model, I think that's too limited a way to look at the problem. And I would urge people to expand it out and say, well, who are the people in the world who should want this to work properly, and who should want to come to the table in a slightly different way or to pick up again.

And again, Wes, I'm just going to keep quoting you all day, I suppose. The world currently places a huge amount of trust in a system which has no secured base of funding. And that's either a miracle or a huge question mark. So that's a long-winded way of saying, I hope that we don't just sit around and say, how much can we get ICANN to spend on this? I'm hoping that the question becomes how much can we convince people who need to have all of this working properly to realize this is something worth investing in.

BRAD VERD: Thank you, Robert. Any thoughts on that, feedback? Kaveh.

KAVEH RANJBAR: Hello. Hi. I was sitting in the back, so hello everyone. So I think we have to start from-- I agree with the discussion about the trust and the demand, but I think the main thing is people who basically pay for domains, they want it to work. And I think it makes full sense that you say you paid 10 dollars for it, one cent per year for that ten dollars is for the root part of it to working then, because that's out of your control.

And then the rest is for the registrar and registry of digital process and then DNS hosting, you pay for that yourself. And ICANN is the only vehicle which actually has that. ICANN gets to share per renewal or per sales of domains. That number can even change if it's really needed, but that's a different discussion. So if the money comes from ICANN, I think it is already established the system, that basically people who pay for domains are paying their share.

Now the question I think is do we all around this table believe that ICANN represent also those people and their voices. Because if we do that, then I think it's a solved question. It's a solved problem because, basically, you pay for your domain and your voice is represented somehow via this multistakeholder model, either ALAC or other constituencies. And you would have control because I agree, money comes with attachment no matter what we do. And if it's this single source and we use this unique vehicle

as Geoff put it, I think we will have to establish proper links to the money that the end user has paid.

So I have no problem with ICANN funding, but I think first we have to establish that that funding means that somehow, of course, indirect and direct was a true long chain, the person who is paying for the domain is also paying for the root services, which is attached to that. That's as part of the meaning of owning a domain or holding a domain name.

BRAD VERD: Thank you, Kaveh. I think if I can expand on that, I think you're referring to, what I've heard here and I'm interpreting what I've heard from within the room here is that it seems like ICANN is not only the logical place, it's the safest place from what as Geoff Huston put it, given the disbursement and how the multi stakeholder model is designed and put together.

I guess what you're getting at or what you were just getting at is like the charge model. Like, where would the charge come from for this funding source, the source of, I think revenue is the wrong term, but maybe it is revenue. I'm not sure. I'm not sure what to call it, but it's a fee to fund the RSS, and that fee is, what's the charge model for that fee. I think is what you were just touching on.

KAVEH RANJBAR: Yes. And if you clarify that charge model that it comes from ICANN, it basically means we put trust that basically the money that ICANN get, why are the sales of, why are the revenue share from the domains is spent in RSS. ICANN might have other or get different sources, different donations, but we have to understand, we have to set up the system in a way that it doesn't matter where the money comes.

 So ICANN, when we deal with ICANN, our interaction, our charge model is basically we are expecting a portion of a domain revenue. ICANN might have different sources of funding. But at the end, that's where we come from and that's how we provide the service, and that makes it very clear. So then ICANN might have tens of millions from other sources. Still, our relationship is clear that we expect this much for what we are providing. So I think that will solve a lot of the questions that we have.

BRAD VERD: Thank, Kaveh. Just for clarification when you say our expectation, it's really the root server governance system expectations.

KAVEH RANJBAR: Yes.

BRAD VERD: Correct. Okay, great. Just a real time check, we got five minutes left. Two people in the queue. So Mr. Huston, we'll jump to you.

GEOFF HUSTON: Yes. There are a couple of things in my mind here about thinking of the alternatives to a single ICANN funding model. And of course, the alternative is diverse funding directly to the root server system. So the first issue is, how do you make a vehicle to accept that funding if it's not ICANN? You have to actually set up some entity that can on behalf of the system itself accept such funding and appropriately manage and hold it. That's something that again would need to be devised.

But my second experience is actually more sanitary than that, which is in the, I was fortunate enough to be on the trustees in the early days of ISOC. And it was clear with the internet society that individual donations weren't going to cut it. And from whereas from day one, it was relying on corporate donation.

The problem was that the corporate donatees said, "We don't think you're running this society very well. We want a bigger say. If our money is funding it, our money wants to make sure that it is being funded the way was being run, the way we want it to run." And this gets harks back to the issue of as soon as you take that

money and you accept the agenda that goes with it, and ISOC had to fundamentally change its governance structures to accommodate that money. And once you do this with the root server system, necessarily, it will have to adapt to where these diverse funding sources are coming in directly to it.

And quite frankly, I see no easy way of doing that that wouldn't do some harm to the independence, the autonomy, and the trust of the components of the root server system. So if you want to sort of diversify the money, you've got to have a much better story and picture as to how you protect those key attributes. And actually, I don't believe personally that it is possible to do so. Thank you.

BRAD VERD: Thank you, Geoff. Kurt.

KURT PRITZ: I think it's our remit to identify ICANN as a source of funds and an approximate amount of funding. But I don't think it's for us to tell ICANN how we think that funding should be accomplished, for example, by a tax on gTLD registries. I think a tax on ccTLD registries would be a nightmare to pass through and will slow us down.

So that might be a way ICANN might explore how to do this or if it's the level of funding I'm thinking of. It's something that ICANN could almost absorb in its budget, given its, what's the right word for cushion? Contingency funding. And given a chance over a couple of years to absorb this into its regular budgeting and funding cycle.

BRAD VERD: Thank you, Kurt. Again, time checked two minutes, Wes. Oh, I'm sorry. Go ahead, Kaveh.

KAVEH RANJBAR: Thank you. A quick response to that. Yes, I agree with that, but I want to put myself in the shoes of someone who basically buys a domain or someone who's using the domain name system to resolve something. And everything in between is a system that must work. And as that person.

I mean, if you want to have closed loop, I really want to make sure that I know the people. I mean, I'm in charge of what I'm doing. Of course, someone who just uses resolution doesn't pay, but that doesn't exclude him that, hey, or hello that, hey, we don't know who is paying for this, or why they are paying for this, or why they are controlling for this.

So when I say ICANN and how they are funding, I agree. We can't tell ICANN where you bring that money in, but I really want to make sure that the loop is close. So if I'm buying a domain, I have my very small say in where this money comes from. Of course, as a one single domain buyer, I cannot say, oh, you cannot get this funding. But then we trust in the multistakeholder model to represent that, correct?

So I think a sustainable system is something that will live for years to come, we'll really make that link that someone who pays for domain. And ideally, in some indirect and direct way, someone who's also doing resolution, has very small voice and control in what would happen, not that completely detached some people sitting in dark rooms and deciding for them how things work. All right.

BRAD VERD: Thank you, Kaveh. All right. So we're out of time. Wes and Ryan, can you guys please write down your thoughts and we'll pick up with you guys as soon as we come back in 30 minutes. So with that, we are adjourned. We'll be back here. Same room, 30 minutes. Thanks, guys.

OZAN SAHIN: Please stop the recording.

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