



WRITTEN STATEMENT FOR THE RECORD OF

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SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY

ON "PRIVATIZING THE INTERNET ASSIGNED NUMBERS

AUTHORITY"

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SUMMARY OF MAIN POINTS

- Last week, the Board of Directors the Internet Corporation for Assigned Names and Numbers (ICANN), approved the multistakeholder community's [proposal](#) for transitioning oversight of the Internet's addressing system from the US government to the Internet multistakeholder community.
- The proposal was delivered to NTIA; it comprises two related plans:
 - The first plan specifies how the three communities of the Internet Assigned Numbers Authority (IANA) will interoperate with ICANN.
 - The second plan includes an extensive set of reforms to ICANN's governance structure to enhance the organization's accountability to the Internet multistakeholder community.
- Intel has been deeply engaged in the development of the overall transition plan and, in our view, it meets the criteria outlined by NTIA in 2014.
- The plan translates principles upon which everyone agrees – a global, open, interoperable, stable and trustworthy Internet - into an actionable transition plan that meets the |communities' needs. We look forward to the NTIA's and Congress' review of the proposal and we are eager to begin implementation to complete the transition.

WRITTEN TESTIMONY

Good morning Chairman Walden, Ranking Member Pallone and members of the Committee. Thank you for the opportunity to testify today. My name is Audrey Plonk. I am Intel's Director of Global Cybersecurity and Internet Governance Policy, and I am pleased to address the Committee on the important issue before you: the transition of the Internet Assigned Numbers Authority (IANA) contract from the U.S. government to the global multistakeholder community. Intel fully supports Congress's commitment to multistakeholder Internet governance. Part of that commitment has been to respect and abide by the work of the three constituent multistakeholder communities in developing the IANA transition proposal. It is Intel's belief that the proposal meets the requirements articulated by the NTIA in 2014.

Background

First, I would like to provide some background on my experience and Intel's commitment to a global, open, interoperable, trustworthy and stable Internet. As the Director of Global Cybersecurity and Internet Governance policy, I lead a global team of policy experts focused on Internet policy issues like governance, cybersecurity, and privacy. Our work is integrated with business units across Intel that create many forms of technology: (PCs, laptops,

tablets, phones, servers, network equipment, Internet of things sensors, software, to name just a few examples).

Prior to joining Intel in 2008, I led the Organisation for Economic Co-operation and Development's (OECD) security policy work on critical information infrastructure protection and malware. Before that, I worked with the U.S. Department of Homeland Security's National Cyber Security Division on international security policy issues.

Personal computing has entered a new era. Instead of relying on a single device, we are surrounded by many devices at home and at work—laptops, a family computer, smartphones, tablets, TVs—they all help us stay connected and be more productive.

As a world leader in computing innovation, Intel sees technology as more than just a practical tool. We design and build the essential technologies foundational to the world's interconnected computing devices. Connectivity to a global, open, interoperable, trustworthy and stable Internet is critical to realizing the promises of this new computing era. And a successful multistakeholder Internet governance system – including the effective and timely transition of the IANA functions contract to the Internet multistakeholder community and restructuring the Root Zone Management contract - is critical to

provide the stability the market needs to continue investing in the Internet and the American technology sector.

Current Status of the IANA Transition

Last week, the Board of Directors of ICANN approved the multistakeholder community's [proposal](#) for transitioning oversight of the Internet's addressing system from the US government to the Internet multistakeholder community. The Board sent the proposal to NTIA for their review, analysis and approval. These actions followed approvals from five of ICANN's six chartering organizations, and no objection from the sixth - the Government Advisory Committee, or GAC. The bottoms-up process used to create the proposals is itself testimony to the success of the multi-stakeholder model. As Assistant Secretary Strickling has pointed out, "Stakeholders spent more than 26,000 working hours on the proposal, exchanged more than 33,000 messages on mailing lists, and held more than 600 meetings and calls." I want to congratulate the community for their tireless effort in developing this proposal. |

The proposal comprises of two related plans. The first plan describes how the three constituent communities of the Internet Assigned Numbers Authority (IANA) – Names, Numbers and Protocols – will interoperate with ICANN. The second plan includes an extensive set of reforms to ICANN's governance structure to enhance the organization's accountability to the

Internet multistakeholder community. Intel has been deeply engaged in the development of the overall transition plan and, in our view, it meets the criteria outlined by NTIA in their announcement in 2014.

Intel's views on the transition

I testified before this committee last summer on [“Stakeholder Perspectives on the IANA Transition”](#). In my testimony, I described how Intel's business plan assumes that the Internet will continue to grow at rates similar to those experienced the over past fifteen years. This growth will make it possible to accommodate the Internet of Things, wearable computing, natural-language recognition, nanotechnology, quantum computing, and virtual reality.

Intel's views on the transition are simple – we support it and we believe it meets the conditions outlined by NTIA in 2014 for the following reasons:

1. The proposal has broad community support as evidenced by the approval of multistakeholder community.
2. The proposal supports and enhances the multistakeholder model in several important ways:
 - a. It removes a single government from any disproportionate role in oversight.
 - b. It creates mechanisms to prevent capture by any single group of stakeholders.

- c. It creates additional mechanisms for the community to engage in Internet governance.
3. The proposal meets the expectations of the constituents of the IANA services as evidenced by the relationship documents between the three IANA communities and ICANN and through their establishment of oversight mechanisms to ensure performance levels.
4. The proposal maintains security, stability, and resilience of the Internet's Domain Name System in numerous ways:
 - a. First, very little, is changing from a technical perspective – it will be business as usual.
 - b. The legal structure of “sole designator” was chosen precisely to support stability of the organization while also empowering the community.
 - c. A separate organization known as the Post Transition IANA (PTI) is being established to maintain the Names registry but will also be contracted by ICANN to maintain Numbers and Protocols. The PTI can be separated from ICANN.
 - d. Numerous committees will be established to monitor performance of the IANA during implementation and after the transition is complete.

- e. A parallel testing process for the root zone is scheduled to begin in April. This testing process will ensure stability through the changes to the root zone administration process.
- 5. It maintains the openness of the Internet, keeping the fundamentals of open standards, open communications, and multistakeholder governance.
- 6. The replacement for NTIA is not another governmental entity.

We have been deeply engaged in the process and will continue to engage throughout the implementation phase until the transition is complete.

Elements of the transition

There are three components of the transition that must be completed together for a successful transition to occur: restructuring of the IANA contracts; implementation of accountability measures for ICANN; and a new contract for management of the Internet's root zone.

The IANA Contract

Following ICANN's 54th meeting in Dublin last year, the IANA Stewardship Coordination Group (ICG) submitted their proposal for transition of the IANA contract from an agreement between NTIA and ICANN to a set of agreements between ICANN and its the three IANA constituent communities – Names, Numbers and Protocols. Through the multistakeholder governance process,

each of those three communities developed a transition plan and relationship documents (e.g., service level agreements (SLAs) or memorandums of understanding (MOUs)) that will govern the functioning of their IANA registries once executed. In each case, ICANN will remain the IANA Functions Operator (IFO) for the registry.

Names

The Names community will form a new, separate legal entity, Post-Transition IANA (PTI), as an affiliate that will be a “wholly owned subsidiary” of ICANN and will become the IANA Functions Operator for names, under contract with ICANN; create a Customer Standing Committee (CSC) responsible for monitoring the operator’s performance according to the contractual requirements and service level expectations; and establish a multistakeholder IANA Function Review process (IFR) to conduct reviews of the performance of the naming functions.

Numbers

The numbers community will: continue to contract with ICANN as the IANA Functions Operator for number resources; execute a contractual Service Level Agreement (SLA) between the Regional Internet Registries (RIRs) and the IANA Numbering Services Operator; and establish a Review Committee (RC) comprising community representatives from

each region to advise the RIRs on the IANA Functions Operator's performance and adherence to specified service levels.

Protocols

The Protocols community will continue to rely on the system of agreements, policies, and oversight mechanisms created by the Internet Engineering Task Force (IETF), ICANN, and the Internet Architecture Board (IAB) for the provision of the protocols parameters-related IANA functions.

The execution of these agreements cannot be completed until the proposed transition has reviewed by NTIA and Congress and final approval from the US government has been received.

ICANN Accountability

The main objectives of the ICANN Accountability proposal are to provide safeguards to maintain the security, stability, and resiliency of the Internet's Domain Name System (DNS), and to develop a corporate governance structure that would vest power in the global multi-stakeholder community (hereinafter referred to as "the Community") to replace the stewardship of the NTIA. The proposal does this several ways:

First, the Community will be granted a suite of powers including:

1. the ability to reject budgets and changes to ICANN's standard bylaws;

2. the ability to initiate a binding Independent Review Process; and,
3. the ability to remove individual board directors or the entire board.

In order for the Community to enforce these rights, a legal entity will be created and given the role of “sole designator” that will have statutory rights under California law to appoint and remove board members. The sole designator will be made up of the individual ICANN communities that choose to participate as “Decisional Participants”. The proposal anticipates five Decisional Participants; all of ICANN's Supporting Organizations (GNSO, CCNSO, ASO) and the ALAC and GAC (with an important caveat called the “carve out,” which I'll discuss later). The Security and Stability Advisory Council and the Root Server System Advisory Committee (RSSAC) decided not to participate as “decisional participants”.

Secondly, there will be improvements to ICANN's Independent Review Process, to broaden its scope, improve consistency of outcomes, and ensure that ICANN's board acts within its scope, and acts consistently with its bylaws and articles of incorporation.

Finally, ICANN's bylaws, in addition to being modified to enact the above changes, will be amended to incorporate the Affirmation of Commitments, and a revised Mission Statement that “clarifies but does not change ICANN's historic mission” and limit its scope.

The proposal creates a set of check and balances on the Board and Community to ensure that ICANN cannot be subject to capture of any single or group of constituents. As mentioned above, all the SOs and ACs can participate in ICANN as they historically have, however the new corporate structure also allows them to be Decisional Participants in the sole designator and exercise new powers over the Board. It is important to highlight the the role of the GAC in this new structure. In order maintain the multi-stakeholder model, the GAC, as an important stakeholder, needed to be able to participate in ICANN, however it was also requirement of the NTIA (and desire of many other participants like ourselves) that Governments not disproportionately increase their influence over ICANN. As a result, the discussions concerning the role of the GAC were difficult. Some participants strongly opposed letting the GAC participate in a decisional role at all, while some members of the GAC strongly opposed any constraints whatsoever on the GAC's ability to take part in ICANN deliberations. We believe the results of the discussions, in the final proposal, represent a carefully crafted outcome that, while not giving everyone exactly what they want, addresses that main concerns of all parties. There are three main elements:

1. For the Board to give full consideration to GAC advice, that advice must have been arrived at in the GAC with full consensus - no objection.
2. The Board must have a 60% majority, to reject consensus GAC advice.

3. In any Community proceeding against the Board that involves GAC advice, the GAC is recused from participating as a Decisional Partner.

We believe this package strikes the right balance of including governments in a true multi-stakeholder community, while not giving them increased influence over ICANNs decisions.

The Root Zone

The Internet's Root Zone is the top of the DNS hierarchy. Currently the management of the Internet's root includes three entities: the Root Zone Administrator (RZA) – currently the NTIA and the Root Zone Maintainer (RZM) – currently Verisign and ICANN. The transition plan eliminates the role of the RZA. The current plan is for ICANN and Verisign to establish a direct contractual relationship, disintermediating NTIA, as the current RZA, from the process. The transition plan requires a public review period in advance of execution of a new RZM contract.

Implementation and timeframe

The current IANA contract between ICANN and NTIA expires September 30th. While last week's milestones are significant, we are not finished yet. The NTIA must review the proposal to ensure it meets their criteria. New agreements between ICANN and the communities must be executed and a new contract for the management of the Internet's Root Zone must be developed, vetted by the community, and executed. The Cross-Community Working Group

responsible for developing the accountability measures must immediately begin drafting changes to ICANN's bylaws so that the measures can be implemented. And, Congress must be given an opportunity to review the proposal. These timelines are complex and overlapping.

- March 11 – June 11: NTIA assesses transition plan
- April 15: Draft revisions to ICANN bylaws released
- April 15 – May 15: Public Comment on ICANN bylaw revisions
- Mid – April: Root Zone testing begins
- April – May: Public review period on the RZM Contract*
- May 31: ICANN Board approves draft bylaw revisions
- June 15: NTIA submits plan to Congress for review
- June 16: Congressional review begins
- August – September: New agreements are executed
 - Relationship agreements for the IANA including establishment of the PTI
 - New RZM Contract
- October 1: Transition complete

It is unquestionable that this timeline is tight. But this is a remarkable community of people. I am confident that the community behind the incredible

* Exact timing TBC

work to-date will succeed in completing the transition and moving us fully into [21st century Internet governance](#).

Conclusion

Throughout the transition process there has been little disagreement about what kind of Internet we want in the future. The challenge has been the translation of those principles – which describe a global, open, interoperable, stable and trustworthy Internet - into an actionable transition plan that meets the constituent multistakeholder communities' needs. Fortunately, we have succeeded in developing the plan. Now we must implement it fully to complete the transition.