

## **Transcription ICANN Beijing Meeting**

### **Registrars meeting**

**Tuesday 9 April 2013 at 09:00 local time**

Man: We don't refer to him as short.

Man: (Unintelligible) challenged?

Man: Sorry?

Man: He's a little lad. He's a little lad.

Matt Serlin: Okay, that's great. 9:03 and the insults have already started. That's fantastic. Three minutes past planned, so we're fine. Mr. Michele, Mr. Secretary, are we ready technologically and...

Man: (Unintelligible).

Matt Serlin: Okay. In the meantime, why don't we just do a quick roll call? And there is - (Frederick), there is a handheld mic that we can pass around again, so we'll - yep. We've got one up here, (James), so I think we're okay. Let's do a quick roll call, both in the room and then we'll do on the phone.

Matt Serlin, MarkMonitor, chair of the stakeholder group. We're going to go to our left. (Mason)?

Mason Cole: Hello? Mason Cole, Columbia Names, GNSO Council.

Michele Neylon: Michele Neylon, Blacknight, secretary of the registrar stakeholder group.

Volker Greimann: Volker Greimann, Key-Systems, GNSO councilor.

Jeffrey Eckhaus: Jeffrey Eckhaus, Demand Media, vice-chair of the registrar stakeholder group.

Mike Zupke: Mike Zupke, ICANN staff.

Woman: (Unintelligible), ICANN staff.

John Berryhill: John Berryhill, (iRegistry), Cayman Islands.

Man: (Unintelligible).

Man: (Unintelligible).

Man: (Unintelligible).

(Christian Erdman): (Christian Erdman), (Unintelligible) Data.

Man: (Unintelligible), Data.

Bob Mountain: Bob Mountain, NameMedia, Boston, Massachusetts.

Man: Oh, sorry.

Man: (Unintelligible).

Man: For those of you that didn't hear, Michele's iPhone refers to him as Michelle. And I just thought that was - and he didn't hurl it across the room. If that was a person, I think he - sorry, didn't mean to interrupt the introductions. Carry on.

Rich Peterson: Rich Peterson from Dyn.

(Nick Steinbach): (Nick Steinbach), Demand Media.

Man: (Unintelligible).

(Alexander): (Alexander) (unintelligible), Tucows.

Adam Eisner: Adam Eisner, Tucows.

Graeme Bunton: Graeme Bunton, also Tucows.

Elliot Noss: Elliot Noss, Ting.

(Dorothy Southwell): (Dorothy Southwell), (Domain dot com).

(Frederick Sangran): (Frederick Sangran), (Premium Registrations).

Man: (Unintelligible).

(Mike Murphy): (Mike Murphy), (Cum Laude).

(Rob Vone): (Rob Vone) of (Momentum).

Woman: (Unintelligible) (Lorenzo), (unintelligible) Data.

(Peter Loudon): (Peter Loudon), (Unintelligible) Data.

Man: (Unintelligible).

(Neil): (Neil) (unintelligible), (One and One).

Man: (Unintelligible), (United Domain).

(Nadia): (Nadia) (unintelligible), (unintelligible) Media.

Tim Shen: Tim Shen, Domain Tools.

Man: (Unintelligible).

Man: (John), I think we're good. Unless there's any other registrars in the back that want to - (Bob)'s right there.

Man: What other registrars do we have here?

Man: We're just going to call you Phil Donohue today.

(Bob Weigand): (Bob Weigand), (Web dot com).

Man: Okay, anyone else? All right, today on Jerry Swimmer - Jerry Springer, I hijacked your domain name and didn't tell you.

Matt Serlin: Can we do a roll call for those of you that are on the audio bridge if that's anyone, which, Michele, I don't know...

(Joyce Ling): (Joyce Ling) from (Zero Zero Seven Names dot com).

Matt Serlin: Anyone else on the phone? So with that we've got Fadi and (Akram) coming in at 9:30, so I want to get right over to Mike Zupke and the registrar liaison team.

And also we, at some point today - we are missing one of our colleagues that's normally at these meetings, Tim Cole, who I think most of you know underwent a number of surgeries. I guess going back, what about six weeks ago was the first one maybe? Or, yeah. And he's at home recovering in LA, so we thought it would be nice at some point to try to get a group picture and send him our best wishes back in LA. And hopefully we'll see him in Durban.

But we're in the capable hands today of Mike and (Caitlin), so with that I'll turn things over to them. Mike?

Mike Zupke: Thanks, Matt. Michele asked me not to be too prepared. He said, "Don't have any slides. Don't have a (unintelligible)." I don't have a real structured, you know, I don't have a lecture or anything like that. I just wanted to introduce (Caitlin), and hopefully (Cyrus) will be able to join us. I think he's in negotiations right now with registries.

Maybe I can just talk a little closer. Is that better? All right. Right, so anyway, I'm Mike Zupke. I'm the director of registrar programs at ICANN. And this is (Caitlin Sue Bergen). She's our newest addition to the registrar liaison team, and I'm going to ask her to introduce herself in just a moment.

And then I thought I could also just give you an update on Tim. I talked to him just a few days ago and he seems to be doing well, but he of course wishes he was here and, you know, I think he's missing us. You know, this is - he loves you people. I mean this is his thing. You know, he would love to be here. So anyway, it would be great if we could, you know, do something for him a little bit later.

So with that, why don't I introduce (Caitlin), have you introduce yourself and talk a little bit about where, you know, your background and how you came to ICANN, please.

(Caitlin Sue Bergen): Thank you, Mike, and hello to everyone. As Mike said, my name is (Caitlin Sue Bergen). I joined ICANN recently from WIPO. I was working in (UDRP) section over at WIPO. Can everyone hear me? Okay.

And, yeah, I just wanted to say hello. Please come introduce yourself so I can meet all of you. If you have any questions, I'm happy to answer them, and thanks, everyone, for the warm welcome so far.

Mike Zupke: So and of course also on our team we have (Steve Gobin), who works in Brussels; and (Kimberly Alstead), who works in DC. I don't know if they're remotely participating. It's not a great time zone for a lot of people who are doing remotely.

But I thought, you know, there's just a couple things I was hoping we could talk about. I figured there's probably interest in some of the policy implementation that's going on right now.

We have a number of policies that the GNSO has been busy handing over to staff for implementation. So the one that started off, called PEDNR, which is now the ERRP, the Expired Registration Recovery Policy. We've got IRTP Working Group B Recommendation Number 9, Recommendation Number 8. We've got IRTP Working Group C, which is a whole another big thing.

So I thought I could give you a little bit of update on where all those are. I'll start with the PEDNR/ERRP. So you should have probably all now received a notice about this. We emailed all registrars who are on the 2009 RA to introduce this consensus policy and to announce the implementation of it. Registrars on the older RA would have received faxes.

But, you know, the gist of the policy - I assume people are more or less aware, because I know most of the people in this room are fairly active in the GNSO. But the gist of the policy is to create some consistency for registrants across registrars, largely with communications practices.

There are certain requirements related to expiration notices. And one thing that I think there's been a lot of confusion about in the past that's now being cleared up is that the redemption grace period will now be offered by all registries who are not sponsor gTLDs - actually all gTLDs that are not sponsor gTLDs.

And all registrars will be required to offer that as well. I think most probably do, but now more consistently this will be required. So those are the two, I think, the really kind of big highlights of that policy.

And so the implementation deadline for that is August 31 of this year. And so we had tried to schedule a call at stakeholder group's request to talk about this, and unfortunately we sort of were overtaken by RAA negotiations on a couple occasions. So, you know, I'm really sorry and I felt really terrible that I had to keep asking you to postpone it.

So what we've got in mind instead is we have a Webinar that (Caitlin) is planning, and she'll talk just a little bit about that in a minute. And if you're still interested in doing a call, I'm happy to, you know, still do that, set that up. Hopefully the Webinar will address most things, and the idea is that it would not just be a straight tutorial, but rather a good Q and A opportunity, too. So hopefully that will sort of cover both of the goals there.

So that's the ERRP update in a nutshell. Are there any questions about that? Okay, do you want to just talk about the Webinar that you're planning?

(Caitlin Sue Bergen): Thank you, Mike. So there will be a Webinar. We will be sending out an email reminder, but if you want to mark your calendars now, that'll take place on Thursday, April 25 at 17 o'clock UTC, 9 o'clock am PDT.

And as Mike said, there will be a brief tutorial, probably about 15 minutes, just going through the policy. And then we'll have time for questions and answers. And so if you want to submit your questions beforehand, that'd be great. You can email me and I'll put my email in the email reminder for the Webinar. I think that's all. Thank you.

Mike Zupke: And one of the things that I think (Caitlin) didn't mention is that in her role now at ICANN, she's going to be responsible for a lot of these communications initiatives, and sort of registrar outreach and training sorts of things. So this is

one of the things that, you know, as a result of having her on staff, we're able to do. And we're hoping to do more of this -- outreach sorts of things. So that's the Expired Registration Recovery Policy.

We've got the Inter-Registrar Transfer Policy Working Group B Recommendation 9, which - my recollection is it's largely to do with (off) codes, and really aligning (off) code requirements for registrars with the requirements related to unlocking domain names.

Or maybe I said that backwards. Did I say that backwards? Okay, so where that stands right now, we've got some draft language that we're - we staff have some draft language that we're going to be putting out soon, and that was based on language that was already shared with the community, the GNSO and others, back in , I believe, October or November, 2011.

So the language hasn't changed. This one's not going to public comment. We'll just send the notice to registrars that it's being implemented.

And then we've got Recommendation 8, which is related to WHOIS and the statuses that are listed in WHOIS, related to the domain name registration. So where right now statuses are provided, there was a policy created by GNSO that would make more consistent whether or not EPP status codes are used.

And then it would also require registries and registrars to provide a link to an ICANN page that deciphers what these EPP status codes mean. So that's coming up, but I think that one -- because we didn't have specific language that went through the GNSO and other processes and public comment -- that one will probably go to public comment before it's finally implemented.

And then finally we've got the IRTF Working Group C work, which is a really large body of, I think, let's say change, I think, to the status quo. And so the really noteworthy thing in my mind is that there will be new procedures and

requirements in place for how domain names get transferred between registrants in the way that they are currently for registrars.

So that one is really in the early stages of implementation with staff, and so we'll be doing a lot of work with people both in this room and other areas of the community to make sure that we're understanding what the GNSO intended, and that we're implementing correctly.

In the case of that working group, the GNSO formed an implementation review team. So we've actually got a formal channel that we'll be working through as we're trying to make sure that we're doing, you know, we're implementing it according to the desires of the GNSO.

So if you're not already involved in that, I think there is a mechanism within the GNSO to become involved if you'd like to do that. I think that this one's kind of a big deal. I think that, you know, in some business models in particular may be affected more than others.

So I would encourage you to at least pay attention to what's going on in that space. The implementation review team will at least have a public mailing list, but I really think that, you know, if you think about right now what happens in inter-registrant transfers, there's really not a lot of, say, ICANN rules that cover that.

And so this is going to be kind of a new world, and I'd really like to encourage people to be involved in that, particularly registrars of course. So any questions about either of those IRTP - well any of the three of those IRTP things?

Man: Mike, could you - Mike, just for me, my own question. What kind of timing are we looking at in terms of implementation? It has been, with a couple of the other policy changes, the timing was a little bit (fractive).

Mike Zupke: I understand. I understand the question here, I think. And the - so the thing with the IRTP Part C, I kind of gave you a timing on the other IRTP ones. The recommendations that we got from the GNSO were not necessarily explicit about what the policy should look like.

I would say there was probably more proscriptions than there were prescriptions in it. There things in there that said, you know, we don't want it to do this, or we generally, you know, the philosophy is this. But it didn't say, for example, we want all registrars to use a two-factor authentication, or something like that.

So I think that there's a lot in this that really requires further negotiation with the people who are going to be involved in it, in terms of implementation. So this one's going to be a ways out. You know, I would guess over a year, just because there's so much detail that needs to be filled in on that. Any other questions?

James Bladel: Hi. (James). I'm sorry I'm late. Just a pro tip if you're staying at the Hyatt, taxis are actually slower than walking.

Keep that in mind. So to what Mike was saying relative to implementation, during the course of this working group, of which I was one of the co-chairs, we held up some of our models of our internal processes that perhaps could be used to blueprint out kind of an industry-wide process. And I think all of us that participated in the working group had some ideas, and I think that we could add to that.

But when you take that, you take IRTP and then the next one, and then you bundle that with new gTLDs, the trademark clearinghouse, and everything that came out of the RAA meeting that I know everybody was really excited to attend yesterday, it's starting to look like there's a lot of work coming down the pipeline in the next 12 to 18 months.

And one of the ideas that we put into Fadi's head that he seemed fairly receptive to and very excited about was having sort of a registrar technical summit, you know, that ICANN would help coordinate, so we can get our - not just, you know, the types that usually come to registrar meetings or ICANN meetings, but more operational and development folks.

And, you know, if we had one in the US and one in Europe somewhere, where we can get folks together, we can talk about all these things; how we're going to meet these new requirements and implement these new policies and procedures.

So look for more news on that, because I think we're going to keep - I'm going to keep pushing that. I think there's just so much going on and it's requiring so much coordination, that we're just going to keep pushing that.

Man: Yeah, it's - thanks, (James). It's a good point. And, you know, what we talked about trying to do, at least as a first step, is just, you know, I think the RAA and the associated specifications, I guess is what we're calling them now - there's what? 18 individual documents or something we're up to?

So what we talked about doing was just trying to summarize essentially, from an operational standpoint, what the new obligations are, at least at a high level, and to try to get that to folks so that it was in a more digestible format; and then to try to get kind of momentum around, as (James) pointed out, having, you know, kind of a couple summits to try to bring registrars together with ICANN, to kind of go through and talk about how we're going to actually implement and roll this stuff out as of January 1, 2014.

So, you know, and, Mike, I don't know if you've had any thoughts about it. You've been, you know, you have been involved in the process, so I think you're aware of all the stuff that's coming up. But I don't know if you guys as a team have talked about some of the things we might be able to kind of collaborate together on to try to do that.

Mike Zupke: Thanks, (unintelligible). Actually kind of a good segue. The next thing I wanted to talk about was, you know, sort of in line with the theme that, you know, that we're having a new season at ICANN.

You know, one of the things that our team is really trying to do right now is refocus how are we serving our stakeholder group. How are we serving registrars? And I think, you know, a lot of you who have been here as long as I have or longer know that, you know, when I started ICANN, there was no compliance department. It was pretty much me.

And that, you know, we've not got a compliance team and we've, you know, they're sort of firewalled off. And we've got, you know, really now a purpose that we are to be here engaging with you and to be serving you as our, you know, as our customers, so to speak.

So this is, you know, this is - one of the things that I want to sort of do a little bit of - I don't want to say brainstorm, but get a little bit of feedback about is, you know, how can we help the registrars to be successful and kind of, you know, continue to be competitive in this environment, which is obviously changing.

And with all of these things that are going on -- the RAA and the new policy work that, you know -- the GNSO is becoming this machine cranking these things out. So, you know, we really want to be of service to you as staff, and so, you know, if I could just sort of open it up.

And I think, you know, what I heard from you, Matt, was, you know, exactly the kind of thing that we're looking for. How can we help support you? Not just formally as stakeholder group, but how can we help registrars to be more successful.

Matt Serlin: Yeah, thanks, Mike. So, you know, I mean I think for those of us that have been on the negotiating team and might, you know, we're probably not the right ones to give that feedback because we're closer to it. So I maybe would ask others that have not been involved, that have just sort of, you know, either read the proposed RAA or just know from talking -- the conversations that we've had -- what some of the new requirements are.

I mean how would you guys like to kind of work with staff to try to get that - get to a point where it's understandable, digestible, and we've kind of talked through and worked through the operational pieces of it? Okay, this is going to be a really long day if you guys aren't going to say anything.

Man: Actually it'll be a really quick day, because we'll just dismiss people faster.

Man: Okay, so (Jeff rey)'s got - you're all happy to implement the 2014 RAA January 1, no problem?

Man: Sweet.

Man: Okay.

Man: Excellent. Oh, wait. Oh, no. Maybe?

Man: I see (Jendor)'s...

Man: I saw a hand.

Man: Face lighting up.

Man: I see two hands.

Man: No hands.

Man: Okay.

Man: Elliot had a question.

Man: Yes.

Man: No.

Man: Yeah.

Man: No.

Man: No? Okay.

Man: Elliot refused the microphone.

Man: John Berryhill, all the way in the back. Run the stairs like - yeah, like Donohue did. No seriously, there is a question in the back.

Man: (Unintelligible).

Man: Right there.

Man: I'll meet you halfway.

Man: All right.

Man: Hi.

Man: This is the registrar stakeholder group.

Adrian Kinderis: Hi, (Adrian Kinders), longtime listener, first-time caller. I am a registrar for (unintelligible). No, guys, just some feedback from my boss. I'll give you a registry point of view on this just for a second.

Feedback from registries that we're supporting through this process is they're concerned that the registrars on the periphery, and the issue you have is that they're not necessarily represented in this room and maybe that's their bad luck, you could argue, right? And I'm sort of pre-empting, potentially, an answer.

But especially as we get out into the other regions -- you know, the non-North America, but, yeah, the Asia, the Africa, Middle East -- there's not a lot of registrars there. And if those guys don't decide to pick this thing up, or indeed a shout out or take time to do it, they're not going to have any market to sell into because of the requirements.

So I think that's just one concern here, is potentially in your outreach (unintelligible) that we can't just say, "Okay, so everybody in this room's okay to sign, so we can go." I know the registry stakeholder group has done a great job, and but it is the membership base. And I think you've got to also look beyond the registry stakeholder group and look at registrars. Michele, you're screwing your face up. What's wrong?

Man: I don't know what the registry stakeholder group...

Adrian Kinderis: Did I say registry? I meant registrars. So (unintelligible) just correct me, geez.

Sorry, registrars.

Man: (Unintelligible) talking about, you know?

Adrian Kinderis: Okay good. Sorry, it's early and I haven't had...

Man: With all due respect, (Adrian), it's like this - if people aren't going to show up and aren't going to pay attention, what are we meant to do?

Adrian Kinderis: Well I guess that...

Man: (We do) more of them. I mean, we've put in the time to deal with all this. It's not mine...

Adrian Kinderis: Has ICANN done outreach to all registrars?

Man: Yes.

Man: Yes.

Matt Serlin: No, (Adrian), I - I hear you. Oh yes, and I got you next.

I hear you. I think - I think actually probably that's a good question for when Fadi comes in, frankly.

Because, you know, one of the ironic sort of timing things is when - as soon as they posted the proposed RAA, which in our statement we says, you know, we say dramatically increases the responsibility.

So registrars even in Africa are saying, "I want to increase the number of registrars in Africa." And so how those two play against each other I think is a very interesting dynamic. And I think that's kind of what you're getting at.

And yes, you know, to Michele's point, we can only do so much among this group.

But I do think it's our responsibly as a stakeholder group to partner with ICANN to try to get more registrars not only input on the proposed RAA, but into the fold of the stakeholder group.

Man: Yes.

Matt Serlin: You know, I think that's a great point. And I've heard sort of similar comments, you know, saying, "Look, if (IDNs) are launching first and they need to be on the 2013 RAA in order to sell these things, you know, you really need to be making sure that you've got registrars in those regions who are on the new RAA."

And so, you know, totally hear that and I agree. You know, and it's something that we - that we, you know, we staff need to work on.

(I'll say), you know, in the past the registries did a lot of this legwork. They said, you know, if we think there's an opportunity in this country or another, you know, they were the ones out there saying, "We're going to do promoting." You know, saying then to us staff, "How can you help us do this?"

And so I think, you know, we really have a sincere interest as staff in making sure that these first group of (IDNs) are, you know, are achieving the success that they should.

So I think we're totally onboard with what you're saying and I think - I mean if I'm understanding, you know, I think we're in agreement on that.

Man: For the benefit of the people that are on the phone, yes.

Adrian Kinderis: And just as a follow-up, Matt.

I think the previous agreements also didn't have as many - as you say, there's a burden upon registrars in the new agreement that there's never been before.

And when I've spoken to registrars in the Middle East, for example, they just said, "Well just sign it," thinking that it's just a new agreement with a couple extra clauses. It's not. So there are greater implications.

And I guess that's what the outreach has to do is to say, "This isn't just another piece of paper in front of you that you sign and you walk away from. This is something that gives you a lot more responsibility, a lot more accountability and there's work for you to do."

So that's the point I'm trying to make.

Matt Serlin: Yes. No, agreed.

And I think the - and then we'll get Elliot because he had his hand up, John.

I think the first step, in my view anyway, to get to that point is to get in a digestible format what all the responsibilities are frankly.

Because it's not - I don't know that it's reasonable for some of us on the periphery to look at all 18 documents to understand at the end of the day really what it's going to mean for them.

So, Elliot.

Man: And I think a lot of the work has gone into getting those documents where they are.

Man: Yes.

Man: And if I could just before Elliot says that, you know, we'd like to have these multiple languages so that it's not just in English, but in those languages (unintelligible) service.

Elliot Noss: I want to stand just so I can, you know, kind of address (Adrian). And, (Adrian), these comments are not at all directed to you.

But, you know, I just feel deeply that I've got to, you know, call out some sophistry in all of this where we have had, for the last couple of years, a significant increase in the burdens on registrars. Whether we're talking about registrar and validation Trademark Clearinghouse or the significantly enhanced compliance function which, you know, may get to where it's functioning well.

But right now all it's doing is dumping a bunch of stuff on us, a bunch of unfiltered complaints in addition to significant audit requirements, you know, most of which are just work.

All of these things are going to - and I should note, and they happened in the context of the same people often who are calling for more of these requirements are also calling for greater outreach and globalization and registrars in the developing world. All of these requirements significantly increase the burdens on registrars and will have the impact of significantly decreasing the penetration of registrars in developing worlds.

You know, I just want to call this out. It might feel good. And again, (Adrian), this is not directed to you, this is directed to the people who, you know, keep putting these burdens on.

It might feel good for those people to stand up and say, "Oh outreach, oh globalization." But the truth is that what they are doing is hurting it at every turn. So I want to be explicit.

And I think it is great, you know, as I you said, (Matt), I think, you know, to note that for Fadi when he's here and, you know, you can feel free to or you can, you know, make me drop the gloves if you'd like. Thanks.

Man: You know, can I (unintelligible). Absolutely right, Elliot.

Man: (Unintelligible).

Man: I just want to pile on what Elliot's saying.

Absolutely correct. And one of the side effects I'm concerned about with this, not only is registrars dropping out in some of these peripheral parts of the market, but whole parts of the globe going dark. Because why would we risk an accreditation, you know, that we can't validate an address in some far-flung country that we don't trust the postal specification or something like that if we're now on the hook for ICANN or whatever's going to come next in the 2018 RAA.

So I agree that one of these trends has to give because they both can't sustainably coexist. So absolutely right.

Man: Just reading one thing from remote participation with (unintelligible) saying not to forget the cost of development associated with this as well. So...

Man: So, you know, now that my role is exclusively engagement I can say I'm sympathetic to that and I, you know, I'm not the compliance guy, I'm not the guy across the table. But, you know, I understand what you're saying, Elliot.

And the one thing that I just wanted to mention was I think (Adrian) had asked, you know, what happened in the 2009 round. And I would say that, you know, we were looking at registrars in China who we had, you know, we seemed to have a problem with compliance in this area. You know, they're not really seeing ICANN, you know, in the relationship that other registrars were. You know, they were almost unaware that we existed.

And so when that contract came out we really did make a concerted effort, and it was not just our team, it was compliance too saying let's, you know,

really go and promote this agreement and help them to understand what they need to do.

And there were some who said, "We want to do this. You know, we want..." You know, and sometimes it was, "We want the incentive. We really are struggling to understand it."

And so we did do - we did some handholding there and I think that as we're growing I think we have an opportunity to do a lot better job in this round.

And that, you know, that doesn't minimize the cost to you and, you know, what your point, Elliot. You know, I think, you know, my point is we'll do the best that we can to try and encourage, you know, what we can. But I understand what you're saying.

Man: Anything else? We've got hopefully a couple minutes before - I saw (Akram) walking around somewhere in the back. But I have not seen Fadi yet, so...

I don't know, (Mike), if you have other points you want to touch on or if anyone else in the audience has points? I'm trying to fill a couple minutes here until Fadi gets here.

Man: Well I got to get in my list, so if there are any other, you know, comments.

Man: Perfect timing. Fadi just walked in.

(Mike), (Kaitlyn), thanks, appreciate it.

Fadi, come on down. You're the next guest on the Registrar Stakeholder Group talk show today. The John Berryhill Show, yes, that's right?

Yes, you can - yes, we've got a handheld mic if you want to stand.

You can sit, you can stand, you can stand in front, walk around. There's a mic, however you want to do it. Want to stand and - yes. Yes, sure.

So we do have the remote participation, so maybe we can get you - John's got a mic or you can - yes.

So first off, thanks for making time. I know your schedule is unbelievable hectic, obviously. But this is, I think, your first interaction directly with the Stakeholder Group, so thank you.

We don't have a formal agenda. So we can throw it open to questions, comments. If you want to just say a couple of opening...

You know, what I think would be good to start with, as you kind of walked in what we were - what we were talking about is the 2013 RAA, as it will move forward (and stand), as we've all acknowledged, dramatically increases the responsibilities for registrars.

And the discussion was around how that plays with the desire to bring more registrars into the fold in developing countries.

So we've got an agreement that now has, you know, a higher entry point into the market and trying to bring more folks that aren't, you know, be one thing to get us onto that. We're, you know, familiar with the space, the technology so, you know, it's less challenging than to bring new registrars into the fold.

So I think that's probably a good place to start a discussion on. I don't know if you have thoughts on that or...

Fadi Chehade: Well first let me just - I'll make a quick comment, then I'll get to that.

Many of you were not part of your team's discussions with us about the agreement. So I just want to take a moment to tell you that this team did an incredible job on your behalf. They were working so hard it was amazing.

The number of meetings we had, the cadence we had in the last two months was - it was very hard for me, and much less for them who have day jobs to actually give up the time and participate in this.

And I also most notably want to talk not just about the time they put, but the quality of their participation. There was a lot of good faith work and good faith pushback and good faith discussion that led us to where we are today.

And so I want to thank them and thank you for picking them to be your representatives. I think they worked in very, very good faith.

I think we were up to two meetings a week for the last few months. And intense meetings, not ten-minute meetings. And they never failed to be there, they never failed support.

There was one meeting I recall last week that actually convinced me of the good faith - the depth of good faith we've built. I think we put up a list of 13 or 14 things that we still need to discuss. And within 24 hours every member of your negotiating team had responded and emails followed up.

I was reading them one after the other and saying, "Wow, this is the..." So thank you for that, again, all of you. And (Matt), (James), (Rob), I don't know if he's here, and (unintelligible) as well. And certainly (Jeff), all of you.

And special thanks to (Volker) who, of course, was doing this on his time zone. So we'd be negotiating some very excruciating detail and it's midnight or 1 am for him.

So thank you, thank you for that.

I'm very committed to the developing world. I come from it, I see it, I visit it often and I see the opportunity that we have with the (DNS) sector to actually give economic hope for people who really need it as well in these parts of the world.

And as many of you know, the registrars are truly kind of the end of the chain. You're the people who touch - whether we'll touch the (road).

So there's a lot of work. And I've built businesses. I am an entrepreneur and I've built many businesses, and I truly appreciate what it takes to face an agreement like this.

If you are an entrepreneur in the Congo who woke up one day and said, "I want to be a registrar too." It's very hard, the financial, the technical, the operational sides of being a registrar are complicated, they're not easy.

But ICANN made the commitment in Africa that we will do - we will put in place a series of things that will enable these registrars to really - or these potential registrars to actually come into that fold.

It doesn't mean that we will lower the bar. That's not necessarily the right thing to do. It means that we will lift them up to the bar. And that will take a lot of things.

For example, our Dr. (Unintelligible) happens to be - his best friend happens to be the Number 2 at the African Development Bank. So we had a meeting with him and we're working with him to actually put a program in Africa for helping registrars with financial packages.

I am on the board of a company that is one of the largest mutual insurance companies in the world. So they've - I've asked them to officially put a program that would enable developing country registrars.

So these are the things we will do.

I've talked to (Blake) at GoDaddy, for example, about helping us with some exchange programs where we could help young entrepreneurs come and actually be part of their operation and learn how certain parts of the registrar work.

So we are going to do our part. And we hope to do it with you because I know many of you want to participate in this.

I've seen registries help younger ccTLDs. And I'm sure registrars who are very successful would find it a good thing to do to actually have a developed kind of activity.

So I'm committed to that. And so long as we can agree that as best we can we shouldn't lower the bar but rather lift people, then I think we're in sync and we will do this together.

So let's get into the thick of this once we're done with that (unintelligible).

Man: Great. I'll start a queue. Elliot, yes?

Man: Yes. No, we've got a second one. (Stefan) - I've got Elliot and (Stefan). Go ahead, Elliot.

Elliot Noss: Are we on?

Yes, so I want to sort of stay on that point. Fadi, could you tell me what from - well let me take a step back first.

What we were talking about and that I don't think you addressed directly was that there are a number of significant new requirements. And it's often the

case that the same people who are calling for those new requirements are also the ones - the most vocal about ICANN's need to globalize and reach the developing world. And that we have -- whether we like it or not -- significantly increased the complexity and the - significantly reduced the profitability, because this is a scaled business, for somebody to come in around being a registrar.

Now, you know, you talked about some of the things that you'll put in place. That's great. But at the same time we have made it now significantly more difficult to become a registrar and significantly less incentive to be a registrar.

So I want to, you know, just call out the, you know, what you said was great, ICANN's doing great outreach. We've spoken about that and I think all of that is fantastic. But that these things must be necessarily seen as being negatively correlated, they just are.

And right now with Trademark Clearinghouse registrant validation, with the audit function going on as it is, with the compliance function still relatively inefficient. And I understand all the work that's going on there, it's just much more work, from a registrars' perspective, you know, no additional business benefit.

So, you know, so maybe a way that...

Fadi Chehade: It's tough to argue, Elliot (to this) point.

Elliot Noss: Yes, but...

Fadi Chehade: Indeed the agreement is more substantive now and it has - it will add burdens on the registrars.

Elliot Noss: Maybe I can take this to a question that, you know, has always fascinated me and that nobody has answered.

You know, Fadi, from your perspective when you're talking about wheels touching the ground and people touching end-users. You know, at the end of the day what a registrar is is really a creature of regulatory arbitrage.

You know, when you're - when you're complying with, you know, kind of a regulatory regime there's no business benefit for an end-user in that or a registrant of a domain name who wants to put up a Web site.

You know, if I am this entrepreneur in the Congo that you're, you know, theoretical entrepreneur in the Congo that you're referring to. And what I want to do is help local businesses get online with a domain name and a Web site, why do I want to be a registrar as opposed as simply going through a registrar, which is probably going to cost me very, very little money, and, you know, just be a reseller?

Why do I not have, you know, arguably way more benefit? Why the push specifically around registrar?

Wouldn't that same incentive that you're talking about, financial packages, etc., be better focused on actually helping local entrepreneurs get people online as opposed to recreate regulatory arbitrage or regulatory compliance?

Fadi Chehade: Again, I happen to be a great believer in the market. So I've built companies because I believe in the market. So the market will decide these things.

Our job is to make possibilities, make opportunities for people.

Now if people believe that it's much cheaper for them and, frankly, more possible for them to be a retailer, that's fine. That's their prerogative, that's what they will do.

But Africa has a billion people, a billion people. They have five registrars.

I think - I think I'll let the market decide what will happen. But my job is ICANN because indeed you are right, we have a pretty heavy agreement. We at least will make it easier for people if they wish and they believe they can to actually participate.

So when we met them and we had over 200 people from Africa meet us in (unintelligible) we asked them, "What are the most difficult things for you?" None of them brought up the technical things, no, or they don't understand them. Once they do they'll get worried.

None of them brought up the operational things. What they did bring up is the financial and insurance requirements. And so we offer to help them with that, and maybe we help them with other things.

I don't know yet how - where this will lead, but it's not for me to dictate. It's a requirement that they want to see 25 registrars in Africa, it was theirs, wasn't mine, they're the ones who came up with it.

Elliot Noss: But you're the one who's doing - two things.

You know, you can't say at the same time - and by the way, what I'm trying to do or the goal of my questions is to help focus what your efforts are.

So, you know, if - you can't say at the same time, "I want to let the market decide," and, "I'm intervening in the market," without really being thoughtful about the nature of that intervention.

And, you know, you made a great point around, you know, what you're doing as outreach and education and communication.

So when they say, you know, we want 25 registrars, you're the one they're looking to to educate them around why they do or why they don't.

So I'm going to try and make this a very pointed question. Do you see any benefit - additional benefit for that entrepreneur in the Congo who's trying to get local businesses online between being a registrar and sort of facilitating the regulatory compliance portion of it, versus helping them actually outreach to local businesses?

Fadi Chehade: Elliot, I'll end this by saying the answer to your question cannot happen because your premise is flawed.

I don't know what is driving the entrepreneur in Congo. It could be that he wants to get a few people in his community online. It could be that he wants to be doing that arbitrage for Central Africa. It could be a million things, I don't know.

So all I'm saying is that it is for us to support, for us to help.

I came to you, as you know, to the registrar CEOs at the roundtable and said, "Let's put together a taskforce to figure out how we can help."

And you are the registrars, not me. So I look to you to help us, to guide us, if there are better things to do in Africa to create distribution efforts and upgrade the distribution efforts. I thank them for \$26, \$27 billion a year so I'm very - I appreciate what each node in a distribution network could do.

It's not for me, though, to decide that. It's for me to support, to be there to help if they need particular assistance on certain areas, we will be there for them. And I look for guidance from you, too. You are the experts, not me. (Unintelligible) wants to add one thing to that and he may know much more.

Man: Yes, then I've got (Tissan) and (James) in the queue. Go ahead.

Man: So I just want to caution us from mixing the bar that we test for restaurants with the ability to get more, several country restaurants to several country organizations that participate in the restaurant game. I don't think our goal should be to lower the bar so that they can participate. I think that the bar should be set at the right place and then we should figure out as a community if we want to do this, how to help them raise to that bar. And, you know, understand that the bar is getting higher and higher all the time, but that's the nature of any growing ecosystem and developing industry. So we should make sure that the bar is set at the right place and help if we want to raise the participants in the session.

Man: Thanks (John) for letting me speak. Hi (unintelligible), (Seth) and (Vangella), first of all thank you for being here and making time with us. We really appreciate it. I wanted to go back to two words that you mentioned. We heard yesterday, I don't know if you were in the RAA session we had yesterday, which.

Man: The first time.

Man: Had a few, yes you were in for part of the time which had a few powerful statements that were made and one of those powerful statements centered around the words good faith. And we saw a very angry (Chuck Domes) make some very, very powerful statements with regards to the way the negotiations have gone. I think more, there were general -- though obviously he's a registry, there were general statements with regards to negotiations with the RAA as well. The last time I saw Chuck that angry, I had a full head of hair. So, you know, it's been awhile.

And I just wanted to get your response I guess, because I don't think there was an opportunity to do that yesterday. If you heard the statements that he made, urging both the ICANN negotiating team and perhaps ICANN staff in general to show the good faith that they were requesting of the contracted parties in those negotiations. I don't want to paraphrase what he said, but I

think, I just wanted to come back to that because you mentioned those two words in your opening remarks as well. So they are obviously key words in the interactions that we are having. Thank you very much.

Man: So the real question is to your representatives who have seen me pull up my sleeves and work with them for the last few months. You should ask them if there was any good faith or moments of bad faith in our discussions with them.

Man: Yes. I could say I think that would be five individual answers but (Rob) can take the first crack.

(Rob Hall): I'll take a crack.

Man: And don't forget just to say your name for the remote.

(Rob Hall): I'm (Rob Hall). (Stephan), I can assure you that over the last 18 months, we have had our ups and downs with the negotiating team but under Fadi and his team, I have never felt they were bargaining in bad faith. So I believe that certainly what I've seen over the last few days even would emphasize that point. I realize Chuck has some problems about process. That's very different than what we've been going through where we have been talking and communicating, you know, often daily about this.

So it's not the same situation as the registry. They have their own concerns. I do not share that we have been treated in bad faith by ICANN during this process at all. In fact, I feel the opposite. I would strongly say that, you know, both sides of the negotiating teams at times were contentious for sure, but that's what a negotiation is supposed to be. But both were acting in good faith to get to a final agreement. I think the fact that we did is testament to that fact. So I don't share (Chuck's) comments in any way in relation to the RAA negotiation. I believe he was commenting specifically on how he perceived the RA, the registry agreements to have been, you know, the postings

(unintelligible). I feel we have been dealt with fairly and in good faith and everybody is trying to get a resolution that we were able to and I think that is a testament.

Man: Yes (James) go ahead.

James Bladel: I feel a slightly different flavor. I think ICANN has been a very aggressive negotiating team, is it not? Is it on? Okay so I've got to get into it. So I think they have been very aggressive. I think we have been aggressive when we're unified which has been hit or miss. I think that there were a couple of episodes where I probably completely resonated with what Chuck was talking about yesterday.

I think there are a couple of points in this new contract where I feel like we had to, you know, bite our tongue and hold our nose and move forward because the greater bull was to do that. But if it were a vendor or a customer or someone where I have had a choice to walk away or go to an alternative, oh yes, there were definitely those moments. So that's my talk on the situation. But I think we had a general shared goal that we wanted to move on.

Man: Yes but I want to push back on this (James). I'm surprised you say that because in my definition, bad faith means that we frankly were intending in a very one sided way to just make our point. I have spent more time than I've ever done in any negotiation in my life. And I've done a few. To actually explain our position, bad faith means we tell you this is the way to go. Take it or leave it.

We have not done that. And that process, that amendment process that you shaped is amazingly a product of good faith. It's amazingly a product of good faith. So that says to me that - and maybe I'm not a lawyer so I'm not speaking in the legal framework of what bad faith means. From my standpoint, bad faith means that people don't come in, surprise each other,

do not listen to each other and really make a one sided argument and do not accept the other sides.

Man: To me, that was not the amendment agreement that I was thinking of particularly. My particular example was the changed or goal posts that we encountered between Toronto and Los Angeles. That was the key because I feel like yes, absolutely, explained major case justified, but you know that would have been a point where if there was an alternative to ICANN, I would have taken it.

Man: I agree. I think maybe that use of the term bad faith, maybe we are thinking of it differently but when you are saying here are some points, here are some issues, take it or leave it, I think that was what ICANN gave us as regards to some of the law enforcement requests. In other words, it wasn't to the point where we could negotiate and say well we don't want these, we don't want those, we had to address all 12. There wasn't a question about it.

And I agree, if we had a choice we would have gone somewhere else. I think we did get forward and get to where we are and I think we are in a good place. But I think to the point where, to that point of saying hey, if there were other options, I think a lot of us would have gone to those other options. But we did manage through it and we got there and we'll see. I think the one point I think everyone, I think, I don't know if you were here but we asked (Mike) to do this, is to put together a list going forward of all the new obligations that we have under this agreement and under the new other GNSO policies.

So I think it will be interesting to see for the outreach and for other people, whoever wants to see all - I guess, you could call them onerous items that we have to add on. I mean, we've committed to it. We are going to do it, but I hope the community gets to see what this group is going to have to do and how much work we are going to have to put towards that and appreciate that versus looking at us as sort of always the villains or bad guys in these situations.

Man: Fair enough.

Man: Okay I want to be sensitive to Fadi's comment. We've got about three and a half minutes left, real quick, and then I want to get back to (James) who is in the original queue.

Man: Well, one of the points I would like to make to you Fadi is that one of the most frustrating times we had during the negotiations were before your tenure, that were before you were taking an active role in the negotiations where we had ICANN staff come back to us and say yes, we talked with law enforcement again and now we understand what they are asking for differently. This is the new list that they are presenting to you now. This is the new toast that you are going to have to swallow. And that was really a point where a lot of us felt like walking away from the table.

Fadi Chehade: I must say thank you all for being candid on this. I must tell you that some of the expertise in knowing how to talk to the various groups without putting pressure in a situation like this was just not there in terms of knowing how to deal with various communities that have different requests. I mean, even now we are hearing that law enforcement went and said well we didn't get everything we want. I think they were not managed as they should have been.

But as you said, I came after that and frankly I will make sure this does not happen again, that communities come in to a discussion with a clear understanding of what they are coming with, what is the framework, and how do we exit from that, as opposed to this continuous second bite of the apple that was going on. And I think you all know that in my opinion the good faith is what got us in the last two months to move significantly from where we were. But again, I want to thank you again for that because as to Chuck I wasn't there when Chuck was upset. Chuck is a super individual. I've never seen him this way.

Of course, I've known only Chuck for six months. I only know him as a gentleman and someone who is usually very measured. I do think, I must tell you, that your team here has done something that surprised the registries. It's not common that the registrars in a way lead in a discussion. And I think the fact that your team has put the time they did has formed, the fact that you had the wisdom to form a team, which they haven't, and that team worked with us an advanced the discussion, as committed day after day for the last two months to get them to where they were was a big surprise to the registrars. You are ahead of them and frankly that's a new thing. I'm discovering that they are surprised by that.

Man: We have a procedural rule. Elliot gets the last word.

Man: I think I'm in the queue somewhere again.

Man: I think you're right. I don't know that the registries want to go through 18 months like we went through. So, other than that I think I'll probably...

Man: And I presume everyone here knows that we have killed the one thing in the registrar agreement that causes us to have this every few years. I mean this, to me, is the biggest win-win. I don't call it the win. It's a win-win, that we have now lifted your agreement to be a presumptively renewed agreement so we don't every few years have this multiple years of negotiations to come up with a brand new agreement and everyone pent up, pent up, pent up and bam, then we have 17 million new things in that agreement.

Now we have a more of what I call normal mechanism of us discussing things, talking about them, resolving them in the more normal agreement, yet we gave you the agreement stability that you need for your investors, for your leaders, so I think you again for guiding me through this and once you've explained it to me, I had to deal with my team but we managed to get through it. And I think that's a win-win for all of us.

Man: (Rob) real quick and then Elliot.

(Rob): Yes sorry, I have a bit of a different definition of bad faith, and I don't want to go into too much detail on it because I think you so eloquently spoke, Fadi, but you know there were points in the negotiation. This is more directed at what my colleague said where, you know, we also said no way, you know, no way we are agreeing to a (unintelligible). No way, you know, that would ever happen.

I don't view that as bad faith by a party taking a stance on something and not wanting to give, even though eventually both sides give. I view bad faith as being more disingenuous and not trying to get to an agreement and operating in good faith as opposed to the specifics of a negotiation. And I didn't feel at any time that ICANN was not trying to get forward and not trying to get to an agreement.

And so I want to clarify my earlier response that this is not about the individual terms we've negotiated that some of you referred to. In my mind, it was about the overall process and ICANN's willingness to sit down with us and keep talking, keep hammering it until we could agree. That's what I believe was done in good faith.

We can argue and argue about individual terms any day but they came to the table and they kept going until we got there. That's a testament to Fadi, you know. And specifically in my earlier remarks, when you joined was when things changed, and we had some frustrations in the first 18 months or the first 12 months of course.

But you should be complimented on keeping your team corralled and moving forward in a business manner as opposed to the traditional negotiations of ICANN which are more legal in nature with lawyers, you know, wordsmithing. I was pleasantly surprised to see that that's changed now in ICANN in my

opinion for all things, which is the business guys get together and say this is logical and tell the lawyers to go figure it out as opposed to the other way around which is traditional ICANN. So thank you for that.

Man: Elliot get the last word in the...

Elliot Noss: I really want you to get the fine point around what Chuck was saying. Forget about the label, it's bad faith or it's not, so what most drove him to where he was, you know, you said you've known him six months, I've known him for 13, 14 years I have never seen him like that, was two things in particular. The first was the February 7 admission where everybody here, I can tell you all our expectations and beliefs around where the gap was on the agreement were very close.

ICANN then went, put a new agreement that had a significant number of material new tasks in front of us. And that was, you know, what was loosely referred to as the moving the goal post, but that felt to all of us as if we thought we were at the finish line and it was moved significantly. So that was the first thing that led to Chuck saying bad faith which I get.

And the second was tying that moving of the goal post essentially to the new GTLD program. It may seem like an obvious outcome to say well, and if you don't sign this agreement, of course, because the agreements are all going to be dove-tailed, you can't sell new GTLDs. But that was very clearly something that to a lot of people on the registry and registrar side felt like, you know, it is a few things.

First of all, it's something that conflicts everybody because all of us have businesses. Most of us have businesses that, you know, have some foot in the new GTLD program. You know, is it a brilliant, tactical negotiating move? Because obviously, you know, there what you're doing is putting a lot of pressure on the opponents or the other side of the negotiation, but can that absolutely feel like bad faith? Yes.

So I want you to understand that it's those two things. It's not general. It's not, you know, the point by point thing. Those are not substantive issues. Those are process issues and, you know, and by the way I share what (James) and (Jeff) had said, you know. If I was in a negotiation with a supplier at an arm's length that I didn't have to deal with who did that to me on a process level alone, I would probably pay a higher price and take a slightly lower quality and go elsewhere because I wouldn't want to deal with that person who had done that to me in the negotiations, so please, and take that as, I want you to understand exactly the specific elements that are (unintelligible).

Man: Sure. And I deeply appreciate that clarity from you and I will reach out to Chuck today and spend a little time one on one with him to just also hear directly from him. I will do that.

I just want to say one thing in conclusion on this. If we look at ICANN and the contracted parties, and negotiating an agreement, without appreciating that ICANN has a public interest role, then we look at every move in these agreements as being a tactic. I had a meeting this morning from 7 to 9 with many registrars because they are now jealous that you guys got faster (unintelligible). They are saying well we want to spend time with you. Great. So we spent time and it was very helpful.

So when they said we still don't understand why you need that extraordinary amendment, because legally or from a contractual standpoint, we consent to negotiate with you why you need it. And I told them have you thought about the political angle? Have you thought about the pressure ICANN is getting on the political side? Consumer authorities, competition authorities, governments, international government organizations. You don't meet these people. I have to meet them all the time.

And they don't look at me as someone who is sitting with you across the table as say Microsoft and CompUSA used to do to argue about an agreement.

They view me as a creditor, as someone with a certain authority, and they would like, just like law enforcement is trying, again to push, they want more things. They think that it's my job to just push things on you. That's what they think.

So the extraordinary amendment and the great, frankly brilliant, that we amended the amendment together, leads us to a place where I have a political instrument to defend you and we have a bridled instrument to protect what's dearest in ICANN, the PDP process, the multi-stakeholder process, so we created, we found a fantastic, I think, balance that gives me a political instrument so I can say look, in these extremely narrow extraordinary conditions under these, you know, amazing, you know, yes the board has the ability to say we need that amendment to pass through.

But under extreme conditions, that (unintelligible) has put so much language around them right now, it will take an ant to get through that. But that's fine. So I achieve the political goal, to protect you, to defend ICANN and to defend our relationships with you and at the same time we bridle it so we don't lose what's dearest to ICANN which is our consultative, deliberative process, not our - we're not sitting as a contractor and a vendor.

So please keep that in mind and you know (James) knows that at some point in our negotiations in the last two days there was a moment where I lost my temper and I apologized to him. That's rare for me, too. But I was trying to tell him that look, I have pressured as an accreditor as well, please understand that, and I think we have come to a good understanding of each other's positions and I think we are in a great place.

Really, I want to say that again before I leave. What we have achieved with the registrars negotiating team is quite remarkable. It's really quite remarkable because it is the product of good faith work for a couple of months. I have spent more time on the RAA than anything else I'm doing and I told them that. When I arrived to Beijing, I told them I will cancel any

meeting I have in Beijing to focus on this with you and we did. And the product is really, the proof is in the pudding so thank you again, each one of you, for the amount of effort that you put in to this.

Man: No, I'd like to give a thanks to you and the team as well, you know, to (Rob)'s point I think dealing from a business level and as we did often and then letting the lawyers go off and, no offense, do what lawyers do, I think was refreshing compared to, you know, how things had previously been done.

So and thank you for your time today, I hope we can continue to do this at ICANN Meetings. I think this interaction is great.

Woman: Any time. And did you...?

Man: Yes.

Woman: ...to the extent of (interacting) (unintelligible)?

Man: Is (Simon) here?

Woman: (Unintelligible).

Man: Or is he (unintelligible)?

Woman: (Unintelligible).

Man: Okay.

Woman: (Unintelligible).

Man: Yes.

Woman: (Unintelligible).

Man: Okay.

Woman: (Unintelligible).

Man: Okay, yes.

Woman: (Unintelligible).

Man: Okay.

Woman: Let us know (unintelligible).

Man: Great, thank you. Thank you (unintelligible), appreciate it.

Man: Thank you.

Man: I see Maguy waiving in the wings. Maguy if you want to make your way up here you can sit. You can stand. You can roam. You can - however you'd like to - yes, you have slides but we can drive them. You can stand up at the - (yes).

Maguy Serad: (Unintelligible).

Man: Put them (unintelligible).

Man: (Unintelligible).

Man: Yes.

Man: Where?

Man: Michele has got them.

Woman: (Unintelligible).

((Crosstalk))

Man: (Unintelligible).

Man: Oh and (Kayla)'s got them.

Man: (Unintelligible).

Man: Do you have - so I'm driving or...?

Man: I'm going to stay - sit right here and whenever she's ready.

Man: (Unintelligible) that's the...

Man: Together.

Man: That's the project - in this room although...

Woman: (Unintelligible).

((Crosstalk))

Man: Because I hate (unintelligible).

Man: Yes.

((Crosstalk))

Man: Thanks (ma'am). So I'll just sit right down here.

Woman: (Unintelligible).

Man: (Unintelligible).

Man: Oh yes.

Man: (Unintelligible).

Man: We need a thumb driver, James in the back of the room.

Man: Yes, James in the back, if you have a thumb drive we can...

Man: Oh (unintelligible).

Woman: Yes.

Man: (Unintelligible).

Man: Yes. Okay, so (unintelligible).

Man: I'd say in the interest of time Maguy, well we got it. Thanks. Sorry. Or someone - in the interest of time while we sort out the slides in the room (Kaolin) you can project them up to the (unintelligible).

(Kaolin): (Unintelligible).

Man: Okay, great. Yes, so let's go ahead and get started because we are running a bit behind.

So with that I will turn things over to Maguy and is it just you or do you have...?

Maguy Serad: No, I'm (unintelligible).

Man: Just - okay. Great, go ahead Maguy.

Maguy Serad: Good morning everyone. Can you hear me?

Okay, looking at the head shaking. Thanks Adam. You're my point of reference now for this actually.

Adam: All right.

Maguy Serad: My name is Maguy Serad. I'm from Contractual Compliance. It's always a pleasure to come and dialogue with you guys.

We always prepare our presentation. Should not take more than five minutes and we'll have the Q&A for the - with the audience.

This is very important for us because we really engage with you as a Stakeholder Group because we really work together. Everything we do impacts you, everything you do impacts us.

So with me in the audience today I have (Jack). Would you raise your hand? (Jack) is our Risk and Audit Manager who has a very good update to share with the audience.

But I also have Owen Smigelski. He's one of our Managers for Prevention and Enforcement and (Carlos Elvarez). He's also our Senior Manager for Operations.

With that today what we want to bring to your attention are a couple updates. Please refer to the slides later at your leisure. Click on the link so you can see where some of the information is coming from. Two big updates that will be of relevance to you is the Consolidation Project and the audit. Based on our

discussion with Michele in preparation for this meeting these are topics of interest for you.

So on the Consolidation Project as you know since my arrival that some people have (maybe) tired of seeing the plan every time I show up in this meeting so I'm not going to show it to you today.

But I'm going to report. We are making progress against the plan. And it's important because you all know how hard the ICANN Community can be on expectations because everybody has different interests in mind. So thank God for the plan because it has saved us and supported us throughout these past few months.

So we are reporting on schedule based on what we communicated to the entire community. We are consolidating all of our tools. The first tool we consolidated was on the 25th of March. And it was the Who Is Inaccuracy. We brought up the Who Is Inaccuracy into a new and enhanced complaint management system.

We are now on this slide you will see, we are in the process of aggressively trying to meet a schedule by the next ICANN Meeting.

First and foremost, I want to thank the Registrar Stakeholder Group for always jumping in and helping us set pilot, discuss different ideas as we need them to help us with.

So on this you see the bullets. We have to automate enforcement. Enforcement in audits today happen manually. We're in the process of pulling it into the tool which will be tracked, measured, all this stuff.

Next we're going to migrate the transfers followed by (UDRP), followed by renewals and I'm not going to go through all the bullets.

What's important in here is that between now and the next ICANN Meeting as we roll up the tools, we're going to be shutting down the old Internet - InterNIC links that exist for the fragmented tools.

So ultimately we're going to be on one system. You will have a consistent approach, consistent email reaching out to you.

And the other thing that's of importance is two points. We had heard your concern that we're not looking back with you about statuses and closure of complaints. So we've added that.

Another thing we are - we introduced what we call a pulse survey. Pulse survey will go not only to the complainants or reporter but also to you. This is going to be part of our year three which is continuous improvement.

Next slide please.

By ICANN 47, another two huge elements we're going to do guys. Today we process single complaints at a time. The community has expressed they want to be able to submit multiple complaints. Multiple complaints can go from 2 to 25. I think that's the range we're looking at where multiple complaints can be submitted by a complainant for a complaint type.

So that's going to roll up next. The next big item and please don't throw anything at me on stage, is bulk.

We have to re-put bulk into the tool to allow SSAC members and by requests from different community members to provide bulk complaints.

However thanks to this team again. The framework of bulk is not going to be open like it was with the flood gate before. Thanks to your input we're going to do authentication. We're going to put through guidelines, penalties that if you submit bad reports we're going to take that right away from you.

So we - as we design and build this, we're going to come back to the Stakeholder Group and through our newsletters. You see in our monthly updates and sometimes in addition to the monthly update we send a supplement that is specific to the registrars only. We don't publish that supplement.

We will keep you posted between now and ICANN 47 how we're progressing and do not hesitate to reach out for us.

I'm going to skip ICANN 48 but let's continue to the next slide please.

Okay, on this slide all I want to mention is that for transparency and again by request from the community our monthly update and the Annual Report are always published in the (six different) languages.

Most importantly we also just launched and (unintelligible) show it at the kickoff ceremony the - on myicann.org, the compliance dashboard.

It's static. Until we consolidate the entire complaint submission into one tool we cannot be real time. Our commitment to you is the data that's published on My ICANN for compliance is global data, not specific to a registrar. It's global data by region, global data by complaint type.

Everything that relates to you and us working together is confidential and would always be in that format.

Next slide please.

Added this slide to show you how we're making really great progress. Since my arrival nobody was responding to anything we sent. Now they - and we've earned the trust of the community including yourself.

When we send notices we're seeing - look at the drop. We are able thanks to your help to the Registrar Team and whether - I know there are a lot of registrars that are not in the Stakeholder Group. But people know the process and respect it and collaborate with us.

The column I want to highlight is if you would look at the close before first notice. We still do a lot of that stuff manually. We hope to automate it much more.

Closure of those tickets are a combination of things, one of which is say what we call invalid reports or bad reporting. So we hope that we've improved on that. There is always room to improve because it's still manual but we will be automating that too.

Next slide; as you all know there is the (ERP) policy that's going to come into effect. I'm not going to talk about it.

But if you refer to the appendix we have a few slides on there about what's old and what's new and how it's changing. The way - if you have any questions let us know. Again refer to the slides in the appendix please because it kind of guides us through what was and what is coming and we will implement our investigation or our studies or informal resolution around that.

Next slide please.

Okay, with that I'm going to turn it to (Jack) for an update on the Audit Program. And we will open it up for Q&A.

(Jack Squadra): Hello. Can everyone hear me, in the back? Okay.

Hi. My name is (Jack Squadra). Thanks for having me. I'm the Manager of Risk and Audit for Contractual Compliance.

Can't see the screen but I know what the slide said.

So...

Man: (Unintelligible).

(Jack Squadra): Because there's an unusual box and that's why.

Man: Sorry.

Man: Thanks (Adobe).

(Jack Squadra): That's okay. Basically what was on the slide was the typical process for an audit. Regardless of whether it's ICANN or a publicly traded company, it's the same phases that an audit would go through.

So we leveraged the same method - yes, perfect, thanks, the same methodology across the board.

I think the main point I wanted to make on this particular slide is that we're now in the reporting phases. So those registrars who were in the first year of the audit have already received their Audit Report. Many have already remediated a lot of the issues that were discovered.

And so we collaborated quite at length with many of the registrars in the first batch of the audit. So this is just the overall flow and phases of the audit plan.

And this is actually published and has been published for about five months now online. Okay.

Next slide please.

Thank you. Those that were in the Europe Stakeholder Registrar/Registry Meeting probably saw a slide that we added a new dimension. What we added to this slide that's different than what you saw in Europe is that after translating 23,000 documents through the process of collection from 317 registrars, what we found is over 22 different languages on those documents.

So we translated 22 different languages out of 35 different countries that represent this first year audit which is significant and means that it's broad. It's a large scope. And, you know, was successful.

The other thing to notice is and I'm just going to - these are the top ten I guess countries that were randomly selected that's listed here. But you'll notice there's a total of 35 countries that are - that make up the audit as a whole. The majority of them are from the U.S. which you can see there, 56%.

Second, is Canada and then it goes through the rest of the countries.

And then the languages on the side which you can see is, you know, 70 different registrars. And that's in batch one and two.

And I'll go over that specifically in a moment. In addition the registries, we looked at four U.S. TLDS, one UK TLD and one Asian TLD.

Okay, next slide please.

So what we're going to talk about today is just batch one and two. And the reason is and I'll explain the batches. We've released four different batches of Audit Reports. We did that because there were so many documents that were collected, so many translations of languages that we systemically batched the Audit Reports to release those Audit Reports to the registrars.

On this slide what you'll see is the top ten areas that we've identified based on the results of the review of those documents for batches one and two only.

There are 97 registrars in batches one and two. Because of the family groupings that actually relates to 140 registrars so for one registrar who has 30 different family members that they operated technically and operationally the same we rolled it up into one Audit Report so in essence what you're looking at is the result of 140 different registrars.

What you'll see in the blue bar represents the deficiencies that were discovered initially when we audited. And what you'll notice in the red is the result of remediation and work and collaboration with the registrars during the process.

So as you can see the very first issue, the top issue was the public contact information on the registrar web site. It was a huge issue. It's now been reduced. I can't read the numbers off the top of my head but - or actually - okay, I'm an asset. So it's reduced tremendously.

This is a good process. And this is why we did this program is to show that we can help clean up key areas of, you know, the compliance efforts and specifically with the key provisions in the contract. It wasn't to punish anyone as I've heard in other meetings. It's really to clean up the areas that are the gaps.

And this is a good - this is the result of that.

Next slide please.

Overall based on the first and second batch there were areas that didn't have any issues. The (EDDP) specifically, the payment documentation that was collected based on the renewal process was clean. You know we didn't see any issues with that. The domain was referenced in the payment information that was provided to us by the registrars in batch one and two.

In addition the Reseller Agreement, there were five key mandatory provisions that need to be in the Reseller Agreement. Four of those provisions were met in every single Reseller Agreement that we saw which is really good.

Next the consensus policy, IRTP, the (OP Code) documentation was always referenced with the domain name which is key. It allows us to tie the information out which is important.

And then finally the other thing that we saw no issue with, radar had all the (TAC) information. And I don't know if that was a systematic change that pulled all that information over. But it was fully populated.

Next slide please.

Okay, so during the audit phase it was January 8 to April 12. What we did was we, as I said earlier, reviewed about 20,000 documents from 317 registrars. We issued all the Audit Reports directly to the registrars. These weren't shared with anyone. They're only shared with the primary contact at the registrar.

The other thing we did was there - once we fully remediated issues with the registrars, no action was needed at that point. All the remediation was done. A clean Audit Report was issued to them, a fully remediated.

Those that had deficiencies continued to go through the 1-2-3 process or they'll continue - if you guys are all familiar with that I'm sure, or we continue to work with them until it's fully remediated.

And then at the end of this process we'll do an audit survey, a final survey.

What did you think?

Do you have any opinions?

Did we screw up?

You know is there anything we can improve on? Okay.

Next slide please.

Next slide please.

Oh okay. No. I think we're having technical issues.

Man: (Unintelligible).

(Jack Squadra): Okay, I'll talk about what's on the next slide since I know what it says. So just that everyone knows, there are public reports and there are nonpublic reports.

The public reports are the statistical reports. It doesn't specifically call out a registrar or their deficiencies. It simply says this is the overall statistics for year one audit plan of all 317 registrars.

The second thing that is public will be those registrars that were breached during the process or those that resulted in termination. Those are all public reports. They've always been public reports.

The nonpublic reports are the individual Audit Reports that are issued to the contracted parties. That information will never be shared. Okay?

And let me see what the next slide is. Just one second.

Man: You got it.

(Jack Squadra): Okay, good.

Man: (Unintelligible).

(Jack Squadra): Excellent. Okay, so the reporting phase, we've issued the Audit Reports out. And what you'll see here is a really good representation of collaboration between ICANN, Contractual Compliance and all of you in the audience as well as those on the line; 79% of all registrars in batches one and two have no deficiencies whatsoever. Meaning it's fully remediated, fully clean.

The remainder on that pie graph what you'll see is there's small percentages left that represent those that have one to three deficiencies, you know, four to six deficiencies and so on.

It's not a great number and what we're going to continue to do is work with those registrars to create action plans so that we can remediate those issues; 79% is great. As of March 27th, that's a huge leap prior to when we first started on that - batches one and two, okay.

Next slide please.

We can break it out by countries but not for the (deck). Yes, so, okay, so remediation phase; basically the status types. There are those that are in remediation, those that completed with no deficiencies. Those that have not responded which ultimately escalate to enforcement, okay.

Next slide please.

Okay, so this is a point. We're going to have a full on discussion on Wednesday from 11:00 to 12:30 where we'll go over all the results of just batches one and two again because they went through the whole process. We'll provide some additional information to the audience, answer more Q&A.

But for the purposes of time constraint that's why we only presented what we did because I thought that was key to all of you, okay.

Man: Yes, just so everyone knows, we'll make the deck available on the list. So I've got a queue that I know is a question on line. (James) is in the queue. (Jack) don't go very far.

(Jack Squadra): I'm not going anywhere.

Man: Sorry. I'm - oh wonderful.

((Crosstalk))

(Jack Squadra): (Unintelligible).

Man: I'm going to put myself in the front of the queue. So and sorry, members or chairship has its privileges apparently.

Are you planning on, you know, you said you're going to do a survey and I just - are you planning on doing any sort of a overview of lessons learned from year one or some sort of feedback so that, you know, to show that you've taken the feedback and what changes or tweaks are going to be made to the next year?

(Jack Squadra): He just made an interesting point. Tomorrow we have several - yes, it does happen every now and then. So there are a couple of slides that we're going to be addressing tomorrow.

And what they primarily address are the key changes we're going to make for year two. For instance one request that was during the RFI phase, the Request for Information phase, was multiple file uploads.

And also file transfer protocol using SF or FTP to upload files into the system, all that has been implemented for year two. Those are things you'll hear tomorrow. It's unfortunate I can't show it to you today.

But again tomorrow you'll hear those types of changes.

Man: So the - you have a different deck that you're showing tomorrow.

Maguy Serad: Yes, just one second if I may address this.

Man: Sure.

Maguy Serad: Before tomorrow when we close the (audit file), had the survey and the outcome we had (at each) session (calls) so we had some participation that we discussed and shared what's coming and what's changing.

So we don't just wait for the ICANN Meeting. We schedule those.

Man: I don't know. Okay, I'll take myself out of the queue. I've got James and then I think (Kaitlyn) has got a remote question. Anyone else want to get in the queue?

Okay, (Kaitlyn).

Man: Yes, I'll yield to the remote queue and then (Jeff) wants to be in.

Man: Okay.

Man: Remote first, then me and then (Jeff). Yes.

(Kaitlyn): Thank you. This is a question from remote participant (Rob Golding). And the question is, were the country's registrars selected by number of complaints or

strictly at random? And wouldn't have auditing the top 20 offenders have been more productive overall?

(Jack Squadra): That's a good question. No. That's a short answer.

Basically it was a random selection. Remember the goal is to audit all registrars, all contract parties. That includes the TLDs as well.

And so for us to target and I say target specifically, certain registrars wouldn't be appropriate considering the fact that the overall goal of the program was to audit all contracted parties.

So when we did the random selection we randomly selected 317 by (IANA) number, not by registrar name. So that's why there were multiple registrar (IANA) numbers selected for families because those were random selections.

And in addition the points made make sense on the complaints but in the end they will be captured within that whole process.

Man: (James), Jeff.

James Bladel: Thanks. You know right into this microphone for it to work.

So question or question, comments, whatever directed towards Maguy, Jeff and the team that's here and not here.

I have not been shy in these compliance sessions going back to I don't know, whenever we first saw the swim lanes and that slide deck. I get fuzzy. And all the ICANN Meetings start to run together but it's been awhile.

I will - so I feel to be fair, I will tell you that this is good. You are getting better. I see progress. I see, you know, results. I see like you are looking at things.

And I'll give you an example. One of our registrars and I'll just go ahead and confession time to the room, one of our registrars got flagged because of the information. We found there was a broken link on our web site. We didn't know that. I don't know how long it's been broken.

But your audit caught that. And I think that's how it's supposed to work. You know because if your audit caught it and no one, you know, no customers pointed it out to us, I don't know how long it would have gone like that.

So I think it's working. I think the next step and I know that you've got a lot of plans right out here, but the next step is along the lines of what (Rob) is saying, is let's shotgun more lasers. You know once you've identified that you've got some problem children either registrars or regions or processes or requirements or something you need to target those and say what can we do to put those under the microscope.

But I will say that - so and that I think will start to dial back the volume of work and information that we're providing. But I think that in general the feedback has been that this is good. That it's coming around. It's not there yet. Certainly not perfect. But it's trending in the right direction. And you guys have been responsive. You know you've answered our questions. You haven't, you know, run off into a, you know, a room somewhere and locked the door and unplugged the phone.

So I think this is now working. Thank you.

Maguy Serad: So if I may (Matt) I address your previous question, (Jack) those slides are not in tomorrow's deck, my bad. I need to add those to the deck for the registrars because the slides of improvements relate to this audience, not to the whole ICANN Community.

So before you just share let me add, I will send it to you by end of day today. I commit to that.

Now let me address James and sorry, I forgot the gent - (Rob) on the phone.

We have been communicating ever since we started on this strategy for this. We - it is not healthy to do a full audit like this all the time. Not for you, not for us.

It is a baseline of our current environment to earn not just a trust of our contractual obligation together but the trust of the community. As you know it's been harsh on you, on us about delivering to our expectation.

So the message on the slides we took to the community, law enforcement through (ALAC) many of the stakeholders that we go and visit, we took those slides that show the high level stat. And it showed that message in the year one audit, that 79% have no deficiencies is a good message.

So it's really that message we're taking out to the community but the specifics would come here.

And James and (Rob) we will after the completion of year three we will be selective on how we select the next set of audits. It's going to be on several criteria. Level of deficiencies that was experienced with the contracted party, level of complaints or the, you know, different scenarios that might come into play. So that's how we will look at that.

(Jack Squadra): I'm sorry. I'd like to add something to that because I didn't know that the slide was not in there. For the changes for year two just so that everyone knows, I'm just going to state it right now. We're going to allow for deletion, deleting out of the tool, number one. That was one of the things we heard.

Number two, multi-file uploads. Drag and drop, number three.

In addition to that uploading a zip file with all of the corresponding documents and all the corresponding folders, I've heard that many times. We've heard it. It's going to be made. Okay, we've already made the technical adjustments in the system.

I think number five, the fifth thing is the zip - the fifth thing is the ability to take things out and replace them instead of having to re-upload over the existing files. That's something that was not working.

And the final thing is the RFI. The RFI is completely simplified. It's more clear. I reached out to several members up here. We've revised them. We've revised RFI. We've given examples in the new RFI. It's clear. It's more structured and it's more sound.

And then finally the family grouping thing that will continue, obviously if a family attests to the fact that they're operating technically and operationally the same, we will continue to audit them as a family only. Okay?

Man: Okay. Thanks. So I've got Jeff and then Volker and (Kaitlyn)'s got a comment online as well. Jeff, go ahead.

Jeff Eckhaus: Okay, thank you. I want to know if you can go back to the - I don't know if we need to go back to the slide or you could just talk to it. There was one thing that you mentioned that sort of went by very quickly that I'd like you to address and that was about the bulk complaint system.

And you had mentioned that due to an SSAC Report or some other piece that you were required to reopen the bulk complaint system but you were going to add some conditions and qualifications around that.

I think a lot of the registrars that had, you know, some very stressful situations because of people - bulk submitting invalid complaints and issues with that.

And can you talk to what was the SSAC Report and why that was needed and what are the qualifications around that because it looks to be finalized and implemented by July, 2013 which is only, you know, short time away. So I'm assuming most of the framework and the planning and the system is near complete and being tested.

So if you could talk to that because I think it would be something a lot of us would be very interested to hear.

Maguy Serad: Sure. Thanks Jeff. So as you recall we suspended bulk in August. And it was a very painful suspension that I'm - we're still paying the price for but having said that, before we suspended it we ran different sessions. We talked to - I had asked for collaboration from some of the Stakeholder Group.

And we had several registrars start to sit with us on a couple of calls to understand your perspective of bulk, your pain points and the next topic which is what would make bulk more efficient and effective.

There's the same dialogue with the only user at the time of bulk but also did it with other areas.

So to address the SSAC request Jeff, it's a - what is it called? A request that we reached through one of the SSAC members and I've had multiple requests since my arrival for people to use bulk and I promptly said no because it was still beta and it had a lot of issues and we're not going to open up the gate for more problems to you guys and to us.

So they've been kind of like in queue. So the way we're going to manage this, you're right, suspension is not killing it. We just put it on hold so we can put the framework to really be able to receive, to authenticate the users. We're not going to open it up to the public. It has to be on a request. So we're

putting a framework based on your input. All this is you guys. I still have all the emails from you.

So it's authenticating, identifying who it is. They're going to have to authenticate to upload. We're going to open the gate slowly because we also, it's a kill on our operation when we receive those. So we want to make sure the validation, the authentication is working right, the process is working and also how it's being reported to you and managed by you.

So we will open the flood gate slowly with clear interaction and direct work with you guys and taking your input.

Did I address your question Jeff?

Jeff: Yes, thank you. And I think - let me just finish this. So I think one - some of the requests on that we would have is I know we - I know ourselves that we've submitted and we've discussed with you some of the issues we've had in the past and some suggestions.

So I would suggest if you could share with the registrars what the - what is the framework that's going to be, the specifics around it and when that happens.

And also for example when you put those people through those qualifications what those qualifications will be and will those people be made public. Will we know those are the people submitting the complaints?

I think some sort of accountability for those people who are allowed the bulk access would be something we would appreciate.

Maguy Serad: We will do that Jeff.

Man: Volker go ahead.

Volker Greimann: Yes, I just wanted to go back to the audit for a second. When I first received the audit request I went through - I (sent you a) brief so having handled all that it was a lot of work which took a lot of my time and the time of my team.

That having been said I was very pleasantly surprised by the speed and quality of the responses I was getting from my (end).

I would have wished that these responses would have been made available to all registrars. That would have saved a lot of us a lot of work. I was also very pleased with the way that you were willing to accommodate such a request.

And I think from even during the audit, the Audit Program already improved a lot based on our feedback that we provided during the audit. And I think you learned a lot, we learned a lot. And yes, next time it's going to be better.

Man: I think (Kaitlyn) there was a comment on the (ONB). And then I've got James in the queue and anyone else want to get in the queue? And Michele, great; (Kaitlyn).

No, okay. Go ahead. Yes, was that - was someone digging in the queue?

Man: No.

Man: I've got James and Michele.

(Jim): This is (Jim). Thanks Desiree.

And Jeff touched on this a little bit in his response. But I just want to strongly caution that compliance, Maguy, that you not consider - you're going to stand here and (take it), that do not assume that bulk access to that system is necessary, useful, warranted. There has to be some reason, some

compelling reason which I have - no one's made that case to me of why that - why they need that.

You know and if we want - and I think Jeff, you said it very well. And I just want - you know we need to know who wants access to it. Who they are, why?

And, you know, ICANN - honestly you should consider charging them for that. And you should consider paying that money to us because it's such a pain in the butt.

Maguy Serad: Actually I was going to something more specific but...

James Bladel: So anyway, (I should stop my ranting).

Maguy Serad: ...you know English is my third language. And when they explained to me what assume stands for, I stopped using that word.

So I do not assume. I do not take it for granted. It is - it was a very painful experience for our team too.

But we will come back to this forum through the Stakeholder Group through a special update on the monthly or even before monthly to share with you what's the framework, what we're putting together and to collect your input. Even to do a conference call.

So not doing bulk, I'll be honest with you, it's not an option.

Man: Why?

Maguy Serad: It was there before my arrival. It got suspended. And I've done a few sit in on or go listen to some of the other forums, we present at. That's all I can say. It's requested but we have to put the request (unintelligible)...

Man: So I think (unintelligible).

((Crosstalk))

Man: So people get up and yell at you guys.

Man: Guys.

Man: Sorry.

Man: Hold on. I've got Michele. I've got (John).

Woman: (Unintelligible).

Man: We are (unintelligible) your question.

Woman: (Unintelligible).

Man: But before we get to Michele, I think what you will hear is this. You - I mean you're going to other forums. You're hearing we need it. You're coming to this forum. You're hearing you don't need it.

So you're - I guess the question is what's the justification for - assuming that the voices in the other forum are essentially being heard more than our voices.

Maguy Serad: It's not a question of which voice is being heard louder or more. It was in existence and we suspended it to consolidate. That's all I can say.

And we need to put it back. Now what we need to do is put the framework to make it work properly. If it's not working properly like I said at the beginning,

we're going to - we're not opening the flood gate of thousands of tickets like it used to be.

We're going to open it slowly. And your feedback and input into it will help, you know, fine tune it or do whatever next step is correct.

Man: So just one quick question and I'll yield to Michele. Other terms of use, so that is someone's bulk. So if someone is abusing the process they get their bulk access suspended. Is that part of what you're...?

Maguy Serad: That's why we want to do authentication so we have full knowledge of who and why and what.

So again we will come to this forum. If something is missing on the form or on identification or on the process please provide your input.

May I ask choose the system that's easier to make, providing input that's going to help you be more efficient and us more collaborative and more clear is much more welcome.

Discussing yes or no of something is not the option here. It's like let's make it work. And if it doesn't work then let's put it together, why not, and we'll take it to the next level.

Man: Okay Michele and then (John) if you want.

And we're running over again.

Man: You are running over (unintelligible) to that.

((Crosstalk))

Man: Just...

Woman: That's fine.

Man: I know (unintelligible).

((Crosstalk))

Man: Okay, all right. Yes, you're not (helping Matt).

Woman: (Unintelligible).

Michele Neylon: Just a couple of things, I mean first off from the bulk access just for the record Maguy, I mean while I appreciate what you're saying, just because something existed does not mean it has to exist in perpetuity.

So, you know, that argument I'm afraid I can't really agree with. I'd also appreciate if you could confirm for us categorically, there was only one user of bulk who is access, and that that was (New John).

(John): Yes.

Michele Neylon: And that we all know that - no, that's quite okay. That's fine. We know. That (New John) has a habit of being very, very vocal and yet not always factually correct.

Now the other thing I think it would be helpful maybe - no, maybe not here because we really don't have the time for your team to go through in more detail how you plan to handle authentication, tracking, levels around all these things because ultimately from our perspective the fact that we are expected to be accredited for many different things authenticated, subject to audit, subject to compliance, that's fine.

But if somebody wants to start to lodging complaints against us, then that need - they need to be reaching a certain level I will say.

But my other question which is a very, very quick one, could you please confirm that the audits - for the next two phases of the audit, are they on the 2009 RAA obligations or on the 2013 RAA obligations?

Maguy Serad: You had two statements before that for - we talk to the third question. So an invalid report or if you want to call it a bad reporter, it's treated the same way. So we will sort through those regardless whose name is in front of it. To us it's a complaint.

Now what I'm hearing here is the additional to maybe a monthly update, not monthly update. A clear update before it's finished and deployed, maybe a dialogue with this audience about what is the solution and how it's going to roll out.

We're looking to the schedule and we'll submit two opportunities maybe for a conference call where we put briefly what is the solution, how it's going to be and collect your input.

And hopefully you can join. Either provide it to us directly via email or on the call.

Is that good Michele? Okay.

Man: That was Michele's way of saying yes.

Maguy Serad: Okay.

(Jack Squadra): This is (Jack) for the record. So to address your point on the RAA, we're going to leverage the 2009. There are going to be situations in timing

differences between those that sign up for the new agreement whenever that agreement is finalized versus the Audit Program itself.

So at the end of this year is year two. The end of next year is year three.

I don't know how long it's going to take for the 2013 to be rolled out, people to sign up and be onboard. So we're going to stay consistent with the 2009, for the three year audit plan. Okay?

Man: Excellent. For those of you that didn't hear, the 2009 RAA is the official RAA for the three year audit plan.

(Jack Squadra): That's correct.

Man: We're going to wrap it up with Mr. (Berry). You know he's...

(Berry): Yes. Maguy before your defensive speech about how criticism is easier than constructive suggestions, you ignored a constructive suggestion that (Matt) made about what are - you have a plan in place. Initially you said something about penalties, plural, for abuse of the reporting tool.

You do plan yes or no, to have a legal agreement, a terms of service in place under which if someone abuses that reporting tool, I can sue them and take money out of their pocket, yes or no.

And that is a constructive suggestion because oh my goodness gracious a legal agreement. We all are subjected to them. Our registrants are all subjected to them. And you're letting a bunch of people come in off the street with loud mouths and I mean it's funny to you. My clients pay hundreds of dollars to deal with this crap that gets submitted. Okay?

They want it back. They want an ounce of flesh. Will there be a terms of service, yes or no?

Maguy Serad: I don't have the answer to that. And based on what we have today, (then no).

(Berry): Then you have received a constructive...

Maguy Serad: At this point, no.

(Berry): ...suggestion.

Maguy Serad: Yes.

(Berry): Not a criticism and...

Maguy Serad: Yes.

(Berry): ...if that constructive suggestion is not taken...

Maguy Serad: That's a suggestion, correct.

(Berry): ...it will turn into criticism.

Maguy Serad: No. That is a suggestion. Thank you for making the suggestion.

And I always smile so it's not - I'm not smiling at your comment.

(Berry): You had said penalties. You said there will be...

Maguy Serad: Yes.

(Berry): ...penalties.

Maguy Serad: Taken away.

(Berry): Well you don't have penalties in that agreement.

Maguy Serad: Taken away the right to submit.

(Berry): Were you making it up or not?

Maguy Serad: Right. No. Today for the invalid reporters when we have identified thanks to your input, and we did not reach the invalid reporters and they still - they delivered a bad report. We took away. We suspended them for 30 days from reporting. So we're looking at what are the solutions.

So this is a solution you suggest I have to take back and see what does it mean to implement something like that. I do not know. I'm not a lawyer. I'm (unintelligible).

((Crosstalk))

(Berry): Okay. If somebody cyber squats a domain name the domain name doesn't get suspended for 30 days. It gets taken away permanently.

Maguy Serad: Thank you.

Man: Okay, thanks (Jack), Maguy. We're running behind so our coffee break is going to (unintelligible).

Man: We have a sponsored coffee break from the nice people in main media. I don't know where (Nadia) or (Bob) are.

So they've brought us some coffee over there. So we're just going to take five minutes, stretch your legs, all that kind of things. There's coffee over there that (Nadia) and (Bob) are giving us. Say thank you to them when you see them. Thanks.

Man: (Unintelligible).

Man: Thanks, five minutes guys.

END