

**ICANN Cartagena Meeting  
JAS and Vertical Integration  
TRANSCRIPTION  
Saturday 04 December 2010 at 1445 local**

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Avri Doria: Was GAC basically making various statements in its principles about the new gTLD program needing to be affordable for, you know, people in developing countries and such. So - but basically there were board resolutions. There was GNSO and ALAC motion, both.

So in terms of the discussions that people have about community working groups this is one of those community working groups though it was formed slightly before people started using the term community working group and it was formed with both the GNSO and the ALAC approving a charter and after the GNSO - the - and in fact it went through a couple iterations. We've done certain things also with the ccNSO.

But - so then the working group was formed. There was a blog thing put out by the group towards the support - input support for new gTLD applicants where we did get favorable response.

A snapshot was put out for public comment before the Brussels meeting. And we got comment in the Brussels meeting which we then incorporated into what we've called a milestone report now.

We call it a milestone report as opposed to a final report. And that's one of these things that comes out in props in the new PDP work is we're asking to do more work. And therefore we're not calling it our final report but this is a milestone.

This is in community review at the moment. And I'm not sure exactly when but it is also being translated into I believe all six U.N. - well the five other U.N. languages. One doesn't need to translate it to English but anyhow.

So we've - that's where we are on it at the moment. And now we're making a request for charter extension.

Basically a quick view of - from the milestone report that went out on who should receive the support. The first one is basically a need criteria. Without need then there's nothing further to be talked about.

And this is in fact one of the places where the board has come out - back to us and said yeah, okay, we can agree that a need criteria is important but how do we establish that, how do we show that, how is that done. And so that's one of our additional work items for that.

Then basically a preference to those that are nonprofit, civil society, NGOs and such, applicants located in emerging economies reviews the language of emerging economies all the way through as opposed to the other languages of less-developed countries, developing countries, etcetera.

We - and on this local entrepreneurs and markets where market constraints make normal business operations more difficult, that is basically one of the comments we got after the snapshot. In the snapshot we said nonprofit only.

We got very strong comments from AFRALO and such saying, you know, when you're looking at less-developed economies you often find that, you know, for ten people working together in an entrepreneurial spirit to try and build a little business is what you've got and that, you know, that's really something that should be supported. So after a lot of discussion that was put in as one of the criteria.

Applications in languages presence on the web is limited is one of the preferences.

And then the community-based applications such as cultural linguistics and ethnic, we talked about that a lot because how do you actually determine community. And, you know, the only thing we've got is the application guidebook with its 14-point or 18-point or 16-point, the point-based text. But of course that's after the fact, after the fact, after you've done an application.

So that's another question that's sort of in front of us. It's all well and good for you to say it should be for those people but how are you going to determine that or how is staff going to determine that?

Okay. I know I'm talking rather quickly.

So basically who should not receive support? On the first three categories we had full consensus.

People applying for geographic names were specifically excluded from those. If you're going from a city or a region or something there was an assumption that you should be able to come up.

Purely governmental or parastatal applications and - but one of the considerations that we have that you'll find in the document that if you're a civil society organization and you have some government support that is not precluded. It's basically if it's actually a government organization and then basically if there isn't a viable business model.

The other one that was - there was a consensus with discussion and with support is whether that brand should be allowed in the category of support. The notion that there was a dot brand but that they were needy somehow was difficult for some people. But then again maybe from the perspective of a developing economy someone could have a brand in a developing

economy that was a very tenuous thing that was applying for it. So there was a difference of opinion on that.

The kinds of support that could - that would be offered, one of the ones that we've talked about, one of the ones that has not yet gotten board support as a board letter that talked about things was cost reduction. And basically there was a proposal that some of the costs could possibly be waived for people from developing economies. For example it seems very obvious to a lot of people in the group that the cost of program development for a program that by and large excludes people unless they get help was one of the fees that they shouldn't have to pay if they're applying from a development region.

There was a notion of staggered fees being proposed, that basically if you - if for the applicant that is not quite as well-heeled could basically come up with the funding step by step as opposed to getting refunds on the various stages.

Then there was basically a proposal - and there were various others. There was looking at the lowered registry fixed fees where it's 25,000 or and basically looking at ways to try and minimize those.

And then there was something that people in the GNSO have sort of enacted for a long time in terms of the general fee is trying to understand the whole base \$100,000 cost and why that was warranted, etcetera. But that's something that was just asked as a question. No recommendations were specifically made on it.

There's basically putting together a program to try and build funds or to get people that control other funds to sponsor and fund various applicants so this notion of doing some outreach to the various foundations in the world that might be interested in helping those from developing economies.

There was issues on the modification of the financial continued operation instrument obligation that the multiyear obligation on some of these people

just getting things started seems excessive. And therefore there's a recommendation that for those applicants that meet all the conditions of the needing support group that they would be able to apply for a shorter - a 6- to 12-month continued operation as opposed to a multiyear.

Various forms of logistical support in terms of translations or understanding applications when English was not even your second language let alone your first, technical support in terms of applicants operating or qualifying, anything from how to run, working with established service providers, figuring out how to get somebody the required IPv6 access when they're in a place that no one is even close to having brought IPv6. And then basically - and this one was - this was being written while VI was still very up in the air is if there was a zero tolerance for vertical integration that in some of these scenarios where there was just a local ccTLD or if it was perhaps nothing and you were selling to a very local market and there was no registrar willing to take you on that there would be a possibility for exception for these people, these applicants.

So - and there were certain guiding principles that were put there, first of all that there's a self-financing responsibility that in no case was the funding part supposed to go to more than 50% of the aid someone receives. So there needed to be some degree of funding responsibility.

There needed to be a fund-set period. Any of these conditions that were put on there would be a five-year transparency in the applications, that it had to be open, it had to be known details.

Perhaps once we get to determining financial need that part won't be quite as open as others. But that's not something we worked on yet.

As I said the limited government support, we basically said none but if there was some government support it really had to be very limited.

And then a notion of repayments to some kind of fund for future - for helping future applicants with need in the future, for any of those who create these things and start actually doing well with them.

As I say, we're not at the point now where we're actually asking for this to yet be endorsed. It is in review and therefore facts.

However, we got to the point where we had - in our recommendations we have further work to be done and didn't want to stop. There's not a whole lot of time left to finish this. And we did get the one sort of request for the board that looked at our initial application - I mean our initial form saying, you know, establish criteria for financial need and method to demonstrate that need.

Now that doesn't mean that this group is going to go off and do that by itself. What it means is it's going to - assuming we get the charter approved it's going to go off and talk to those who already do that, you know, do a certain amount of consultations with the large brands and organizations who do establish financial need on a cross-cultural, you know, many different forms of economic basis and one actually does that and get assistance there.

Just an issue, I mean, of many of the mechanisms. We said this kind of logistical support, that kind of logistical support. We defined the larger requirements but working with staff and working with outside specialists, figure out the mechanisms that would allow this work to be done, to start establishing relationships with various donor groups and to see what donor groups we can get lined up.

Now there is always the issue when you go to a donor group and you say okay, we're donating money so that somebody can pay a lot so ICANN can do this. So there's going to be a certain amount of explanation to a donor group why they're not just taking money, patching it through a needy individual and putting it into ICANN's coffers.

There is discussions to be had with them to try and bring them into the program and see how many donors we can get who are willing either to establishing their own programs or through establishing - donating money if they happen to be donor communities into some sort of fund that, well, ICANN doesn't have yet but to establish so that there is money to help with doing these things.

There is establishing a framework. And this is the one that is very much a question in the charter discussions you're having now, establishing a framework for managing.

And it's not only any auction money. It's any money we can raise. Auction was one way we discussed of raising money because we expect there to be auctions and we expect there to be monies that can be allocated.

But any money that we can raise for applicants that have demonstrated need according to the principles, how does that get distributed? How does that get used? You know?

It certainly doesn't seem to the people in the group that it can go just into an ICANN bank account. And even if it did it would have to be very separate.

And there has been ongoing note - discussion in the community about some sort of ICANN-related foundation that can indeed process funds that are gotten from auctions, not necessarily even just these auctions -- I'm not sure - - but also if you get donors that say listen, great idea, we're willing to put in X amount of money into a fund; how do you deal with that so basically looking at how one would create such a framework and making a suggestion on it.

Methods of coordinating the assistance, and basically there have been various providers, for example, service providers who say sure we'd be willing to help a, you know, needy applicant from an emerging economy get

started but how do we organize that? So how do we cooperate - coordinate and then begin the work of trying to raise the links?

The other thing we'd ask is work with staff to review the basis of the application fee because neither we nor anyone else we talk to seems to be fully understanding. So that was - so those are the things we ask in the charter extension. Sorry about the smaller printing.

The ALAC has already approved the charter extension as proposed by the group. But of course for this to be a valid GNSO effort -- kind of the way I look at these coordinated efforts -- is ALAC has to approve it by its mechanisms, GNSO has to approve it by its mechanisms. And then almost like a two-house system the charter goes back and forth until we get a charter that both can live with.

So we had the current Item C I understood was under discussion. And Rafik did offer another proposal that tries to take into account some of the issues.

So the ones that had been offered by the joint AC/SO, the Jazz group was establish a framework. And then of course it had still some filler wording for consideration, etcetera, including a possible recommendation for separate ICANN-originated foundations for managing any auction income beyond costs for future rounds and ongoing assistance.

That met resistance. And the group certainly wasn't in a position to accept that as a friendly amendment.

At this point, you know, since the motion came from the group I'm not sure what it would mean to accept a friendly amendment especially since Rafik isn't here. So I would suggest that any amendment will probably need to be voted on.



So a possible edited presented by Rafik on the list was establishing a framework for consideration by the chartering organizations and the community at large that deals with methods whereby any monies raised in the process of - raised for the purposes of support of new gTLD applicants. This framework could include a possible recommendation for separate ICANN-originated (unintelligible) foundations as the recommendations made by the support for new gTLD applicants working group should be - also include a proposed use for surplus auction income on costs for future rounds and ongoing assistance. This framework could include a proposal for disposition of the funds, realizing however that the use of surplus auction funds is a wider community topic and may include other proposals for the use of such funds.

So that's just a - another wording that is on the table as a possible amendment. Yes.

Woman: That - are you finished, Avri?

Avri Doria: I had one more slide and then I'm done if you want to (unintelligible). So the issue of delay had also come up in the discussions. And basically not only did the council add in any event no delays of the GTL program should result from working groups' work. And I think that's a great thing.

The entire discussion as written up in the report is that the work is being done in parallel and that the group's failure to be ready in time affects the availability of aid and doesn't affect the beginning of the application. That's, you know, been specifically sort of this is a parallel effort.

We - if we - with chartering and everything if we get there in time to be able to offer any kind of proposals, that's great. That's a good thing, what we're working towards.

If we miss it, we miss it. And that's a bad thing. But that's on us.

And then the last one I had was just talking to you guys. And I have a brief GAC presentation in 15 minutes, then an ALAC one tomorrow, then an AFRALO one on Tuesday. And then there's a general meeting to discuss it on Thursday.

Woman: Thank you very much, Avri. So you have a little time. We have Adrian, Marilyn and Christina. Adrian?

Adrian Kinderis: Thanks, Avri, for that run-through. I've said a couple of things on the list about this particular topic. And I'm still a little (unintelligible) quite frankly in what my opinion is. So I'm hoping to get some further clarification if I can.

Is - Number 1, you had some wording in one of the slides there about financial need.

Avri Doria: Yes.

Adrian Kinderis: And I take it that's not taken verbatim from the board resolution. The board resolution says something along the lines of develop a sustainable posture providing support to applicants requiring assistance in applying for and operating.

So, you know, just - plus I think they indicate towards costs earlier on in the resolution. I would be happier if we went back to the board and asked exactly what that meant.

Avri Doria: Well one thing...

Adrian Kinderis: And...

Avri Doria: We did - one thing we did get from them in their last resolution -- and I don't remember the exact wording; I should have it in front of me but I don't -- was

tell us how one would define need. So in other words they have come back and said how would you define this, how would we determine that.

Basically one of the things that has come out from the board in various conversations and I think came out in that last resolution was that they certainly don't want to be in a position of having to figure out and determining the needy versus the not needy. There really needs to be something on the financial need that is sort of a globally-understandable methodology for doing this that makes sense.

And so they've basically come back to us from the interim report, from the thing sort of saying and how would you do this. So I think that that sort of answers the, you know, the board's view on doing this is they don't want to touch it unless we can tell them how it is one would do it.

Adrian Kinderis: Thanks. So just following on with my point if I may, I'll - and I won't (unintelligible). But one of the points that, you know, I did a presentation to about 300 digital marketers in Sydney last week. And when I got down off the -- about new gTLDs -- when I got down off the stage I was lynched by a lot of guys that represented - either were in small businesses or represented small businesses who said that, you know, this is clearly exclusive to them and why aren't - why don't they get to play and all - I imagine all of you have heard in the past.

And my, you know, response to that is well it ain't for the fainthearted. You're getting a piece of internet, you know, critical infrastructure. And I think we've all come to rely on our experience on how we interact with the domain names and the fact that we have some certainty over the fact that they'll be there. We build our businesses like Google around the fact that .com will be there tomorrow.

And so I think that - so for better or for worse when this comes up, this topic comes up, what comes to my mind -- and maybe it's misplaced and I need to

put some more thought into it -- is that automatically I sit back and I think well we're giving this critical infrastructure out and are we doing it to those that can't sustain it or can't manage it.

Now I'm thinking of the failures here, not the successes. The way you have failures over this, where they can't continue to sustain and they were wrong in their projections, what is the impact to end users that have taken up one of those domain names (unintelligible)?

Avri Doria: Okay, a quick answer. In fact we have a FAQ in the back of our thing to try and answer some questions.

And I think the answer that we give to that is that when you're talking about a developing economy, when you're talking about people that have no access to these names at all within your, you know, global business market, that the threshold is lower, that you basically need to start getting a presence on the net in their languages, in their IDN.

There is the notion that there has to be a viable business plan. But a viable business plan for a small developing island is an incredibly different object than the business plan that's viable for even a small company in Sydney.

You're just existing in such a completely different economic market, economic view. So when you're looking at the expense of this and you're looking at the expense of running a small local, what we call almost a boutique because there's only 1000 residents on this island, you know, TLD the financial world is just not comparable.

And so what the argument to that is certainly if I want to build one in Sydney you're right. But to not be fainthearted in a development area is a whole different issue.

Adrian Kinderis: So you're asking for significant dial-back on the technical requirements...

Avri Doria: Yes.

Adrian Kinderis: Assistance?

Avri Doria: No. We're not. Quite specifically on the technical requirements we're asking for assistance in helping people meet those. We're not ask - so we're asking for dial-back on some of the costs. We're asking for translation and, you know, help. And we're asking for technical help.

Adrian Kinderis: Yeah.

Avri Doria: In other words if v6 has not come out to your island how can you meet that goal? Or...

Adrian Kinderis: Right.

Avri Doria: Maybe some other, you know, service provider somewhere will give you a pipe to it, you know, so that you can have it. So it's - no, it's quite specific in the report that it's not asking for technical dial-back.

Adrian Kinderis: And...

Avri Doria: It's asking for everything else to be aided.

Adrian Kinderis: I did - and the publisher - the examples you were bringing up are certainly pertinent. What I would - maybe we'll take this offline. But what would be helpful for me to understand yet when you have your Venn diagram up with the various bubbles around need can you give me an example of an organization that -- and clearly people have examples in mind -- that would fit into each one of those criterion as organizations/countries/groups/communities, whoever it is, that fit in so that maybe we can help understand because with all due respect to (Deb) -- and

it's the only example I can think of at this point in time -- but if you mean -- I like you, (Deb); let me do another one -- auDA, the .au Domain Administration in Australia. They're a nonprofit organization.

Avri Doria: Yeah. But they can never meet need.

Adrian Kinderis: But - so how do they - but from the - but - so just being designated nonprofit doesn't...

Avri Doria: No. No. The first and major criteria -- that's why it's basically in the center there -- the - and I'm not sure that the visual symbolism that...

Adrian Kinderis: Right. Maybe that's what I'm...

Avria Doria: (Unintelligible). But basically if you don't have the need criteria -- and yes that still needs to be established how you do that -- if you don't have that you've got nothing. You don't - you're a nonstarter.

It's only once you've established need by whatever criteria gets decided that then these others are how you narrow the case. There's lots in the world that have need. Part of it is having a good business...

Adrian Kinderis: Got it.

Avri Doria: Plan. Part of...

Adrian Kinderis: Got it.

Avri Doria: It is this. Part of it is that.

Adrian Kinderis: I think you have a hell of a lot of work in front of you.

Avri Doria: Right.

Adrian Kinderis: But thanks.

Avri Doria: Do you need to meet...

Adrian Kinderis: That's helpful.

Avri Doria: Do you need to meet all of these? That's sort of yes but not really because some of them do contradict.

Adrian Kinderis: Thank you.

Avri Doria: Thanks.

Woman: Thank you. Avri, I have Marilyn, Christina and Tim.

Marilyn Cade: Thanks. Quite some time ago in support of (unintelligible) proposal to release and auction the single letters at the second meeting I developed a fairly robust proposal about the creation of a third-party not-for-profit foundation.

I would say that just a consideration -- and maybe the group has thought about it but if not I think it needs to be thought about At the time, my investigations indicated the money could not go to ICANN and then be transferred into a foundation without creating some potential questions if not risks to ICANN's not-for-profit status. So in that case it was fairly simple.

The auction processes could go directly into the third party foundation. I don't know, you know, I'm just -- I'm not -- I don't want to debate it. I'm just saying whatever you're thinking about that would be a very important question to ask.

Woman: Yeah. That's a good point.

Woman: And that's certainly part of the work that we're hoping to get chartered for continuing. We basically said we've got to find a way to do that but didn't go into the specifics. And so – and we know we'd have to talk to legal and lots of people to do something.

And the second point is probably that parties who will get any kind of benefit from whatever it is whether it's for profit or not-for-profit, probably would have to not be involved in setting up the foundation or having some kind of oversight responsible. And anyway, just more – so it's more work.

Woman: Yeah, no definitely aware of that. And that's one of the reasons why, at least in this group, we found the DOI so important, because we wanted to know if you planned to apply for this stuff or not.

Woman: Thank you Avri, thank you Marilyn.

Man: And Marilyn we'd like a copy of that proposal.

Woman: Christina?

Woman: Yeah. I have a – Avri if you could put the slide back up that has the current motion text on it.

Avri: It doesn't have the whole motion.

Woman: Okay. Okay.

Avri: It just has the (Plus) C.

Woman: No, no, no. This is the one I had a question about. Just so that I'm clear, because I wasn't until I actually saw it up here, is it the suggestion of the group that the new charter include that the working group itself establish kind of the framework for a potential future foundation?



Avri: That it propose a structure.

Woman: Okay.

Avri: That then all of you – (ALAC), you know, the community as a whole, use as the basis to start or continue the discussion on it. But basically we come up with a real proposal but not that we actually do it.

Woman: Thank you Avri. Thank you Christina. Tim?

Tim Ruiz: I'll let you go on.

Woman: Okay. Rosemary?

Rosemary Sinclair: Avri why is the specification about nongovernment funds? Because I'm thinking in Australia, so this is a very particular comment in terms of the aboriginal communities. There's very significant government funding for communications, policies and access, you know, on the ordinary communications side.

And some funding for the emergence of ISPs and local wireless operators and so on. And there's no way it would be funded by a foundation or anything else. And I'm not thinking that it could be a possibility but just that exclusion would create a difficulty there.

Avri: And that's part of why there's – some governmental support would be okay. The real concern was in many places whether they're government organized NGOs or they're, you know, government sponsored if a government is sponsoring you 100% then let's assume you've got the wherewithal and the money to do it.

If on the other hand you happen to get a grant from the government for the guy that's going to write the application then that's not – in other words, that's a minimalist at funding.

So that's really what we're trying to say that if you are a government sponsored organization in your entirety like a government organized NGO or – then no. Otherwise...

Woman: Tim first then Christina.

Tim Ruiz: So Avri is the – do you have a pretty good feeling whether or not this ICANN originated foundation will stay under ICANN or not? I guess I get the feeling that it wouldn't. And if that's the case then at what point do we sort of – because it's not really our job anymore.

Avri: I think it's our job within ICANN to propose – even within the GNSO. We had talked about way back if there are auctions then one of the proposals about auctions is that the monies should go to possibly, you know, some kind of charitable, you know, some kind of assisted effort.

And at that point it was already sort of known that if it happened it would have to be sort of separate. And so I think it is up to us to certainly come up with a proposal to create – it certainly can't be done by a completely external group of people.

This is something that's related to GTLDs. It's related to funding both for them and perhaps proceeds of fundings from them. It certainly is something that would – and I'm totally sure that it's something that we have – at its launch need to be launched separate, would need to be however it was done.

Yeah, there are probably board linkages in some of these things and that's where legalities come in that California law is beyond my understanding at the moment of what indeed would be legal, what kind of linkage could or

could not exist. But by and large it would have to be an independent organization.

But very often, you know, those independent organizations are initiated from within the existing organization. But there's a lot of legality to look at that hasn't been, that's certainly been doing, what I'm doing now, (hand waved) about.

But – I noticed – but, you know, it needs research, it needs understanding, it needs people talking and bringing in issues and understanding. It needs work with eh legal staff to try and figure out what would work and what didn't, what's right and what's not.

Woman: Jeff?

Jeff Neuman: Maybe I'll go back to a topic we talked about in the past or earlier today I should say. And it may link to something that Marilyn said earlier. How is this the role of the GNSO Council to set up a framework for a foundation? Is the council as part of our policy management process considering that?

I mean I understand – one think to maybe make the recommendation to say that there should be a foundation. But anything other than that or basically tasking a group from the council to create a framework for a foundation is way beyond our scope, way beyond most of our abilities.

I mean some of us have set up foundations but not our role.

Woman: Excuse me. I think that's a great topic for you all to keep talking about. I think it's your job. I'd love to see you do it. But I'm going to run over and give the same presentation to the (GAC) now...

Woman: Okay.

Woman: ...and come back...

Woman: How about Christina and Alan? Would you have two minutes for them to address their (unintelligible)?

Woman: Well what is the – based on Jeff's question – sorry, based on Jeff's question is there something the council is going to say to Avri about this is a present charter working group? Or, you know, is there anything she needs to worry about, about how she characterizes it?

Woman: Do you mean now? At the moment we have a charter request in and how you got – I mean what I'm telling people – I won't say necessarily – you know, we've asked for a charter extension. We have no idea how you're going to act on it.

Woman: Yeah.

Man: I was going to try to answer those two last questions.

Woman: Christina was first.

Man: Okay.

Woman: I just had a quick observation. I know you have to go but just something – okay, just something to think about.

As I understood the (VEN) diagram it's the Navajo nation – we're to apply for the Navajo and these fundees – that the fact that they are the Navajo nation and are considered a sovereign government they would not be eligible.

And I don't know if I'm – if I'm understanding that correctly that there might be a need for further nuances for the group to kind of think about.

Woman: I think you're probably right. And yeah, you're probably right.

Woman: Alan?

Alan Greenberg: In terms of the foundation there was and maybe still is the potential that ICANN is going to approve the final applicant guidebook this week and announce the detailed schedule for when people can make their applications.

The general wisdom is there will be at least some GTLDs which will be requested by multiple people and there will be auctions.

Given that we might have been starting and still might start that bandwagon rolling this week, I would like to think someone at ICANN is already thinking about how are they going to structure auctions and where will the money go and how will it be done legally and all that stuff?

So I would like to think there's someone already working on that. So I don't pretend that this work group is going to do all of that groundwork and legal stuff. But I think we want to layout some of the parts of it that we think maybe relevant to this kind of work.

I also presume that this foundation would have other targets other than new GTLD support. There's also other good things ICANN could and should do with it if they get a huge pile of money.

So I think the intent is this workgroup tries to outline the (unintelligible) that are relevant to it, not that we design a whole foundation. I would like to think someone at ICANN's already thinking about it.

Woman: Thank you Alan. Tim and we should finish this issue now and go to the next one. Tim, go ahead.

Tim Ruiz: Just something that – I don't know if we have time to consider it or not but given Wednesday is coming up, but do we – maybe the decision is whether or not this foundation gets formed.

And then if that's the community's decision then the foundation can work out all of these issues about, you know, how to deal with auction funds and what, you know, how to establish needs and how to apply to the foundation for this and that.

That's the really only decision that the community has or that ICANN perhaps as an organization, has is whether to form the foundation. So I'll just throw that question out there.

Woman: (Walt) my apologies. I didn't see you. But I see your hand. I'm so sorry.

(Walt): That's all right. Okay, the test of being short, you know (unintelligible). And I expressed my view on that several times on the list. And also even more so I'm a little bit – I'll say more doubts right now whether this group, not the council but this group – specific group is divert enough to cover these points.

The fund point, you know, I think this topic has to be put into a group with a (unintelligible), not someone – only this group is called joint applicant support. So it's looking from an applicant point of view. And so I think this topic has to be put to another group.

So that should be discussed how they do that. And then another point is really the workload. I appreciate very much that – what the workgroup has done already.

And if you look to that new charter there are so many points they would like to cover in a short time and they have to cover that in a short timeframe. I think this point should be taken out and it's not of the highest priority in this group. Thanks.

Woman: Thank you very much. Right, we have another topic to talk about. And...

Woman: Can I ask a quick wrap up question?

Woman: Sure.

Woman: Because I just want to make sure I'm kind of clear as to where we go from here, between now and Wednesday. You know, the more I think about it the more I really am coming to agree with Tim's point.

And I guess my question for the councilors here is to the extent that it is the view that the gating question should be should there be a foundation created by ICANN how many of us think that that should actually be a GNSO only decision?

So I guess where I'm going with this is that why would we have a – I guess I'm trying to figure out how do you reconcile what the group has done with the motion with what we need to be doing with it. And that isn't clear to me at all.

Woman: People I don't think we have time for – I know the topic is really interesting and it captures our attention but we have the vertical integration discussion now. And some people are asking for a break. So we should decide whether we go for vertical integration or we take a break.

I think we should do it because then we have a break and then we have two other sessions.

(Walt): Just...

Woman: Sure.

(Walt): ...if I may.

Woman: (Walt).

(Walt): Just for the process, you know, it's essential I think so. And I would like to have something in place. I also would like to have something in place not that – at the end of the council session and not having extended the charter.

I think there is common view on many points with regards to this charter, the new charter. So – and then we should only think about how we at least allocate those points to that group at least and all that should think about that.

In – so in (unintelligible) this working team is – can work and (should) as well. So that's the main point. And do we have time to discuss it maybe tomorrow or in the asset group before we go for – to vote on the motion. That's my question.

Woman: That's a good point. We should check the agenda. And maybe those interested in talking about this before Wednesday, that could be a good idea. We should – I can check this with (Devon). Jeff?

Jeff Neuman: Yeah. My point was – and it's very much like Tim's. We can easily have the recommendation that a foundation should be created.

But the GNSO Council should not be getting into a position of authorizing yet further – even the same group but should not be authorizing a charter of a new group to look at how to set up that foundation. That is not a GNSO Council issue.

It's not, you know, you can make recommendations to the staff or you can – to the board and let's create a foundation. Let them create a different type of committee but it's not a GNSO Council activity.



Woman: Right. Maybe we can find some time if – I can try to find it if someone joins me in the effort. And we'll let you know when there's time for continuing this discussion. Thank you very much to all of you. We have past the time when we have to discuss vertical integration.

We have a presentation. Margie, is that okay – the vertical integration PDP working group issued an interim report. And the idea of the session is to review this report. It's (advanced) Margie?

Margie Milam: Yeah. We're going to have Mikey come up and...

Woman: Okay.

Margie Milam: ...make the presentation if – it's not going to be very long.

Mikey O'Connor: Yeah. I'm Mikey O'Connor, junior co-chair of the DI working group. And I know that we're – I'm standing between you all and a break so my plan is to be very brief here. Margie's bringing up a set of slides. They're already in Adobe Connect for those of you who are looking in your laptops.

I did want to make a formal announcement that as of this moment the official email tally has been subject to a lot of speculation in the halls. And I just want to make clear that I've checked on the ICANN Web site the archive of the DI group. And the official tally is 3700 – no, 3837 emails.

Accept no substitutes to that number at least at this moment. Most of you in the room were on the working group so I'm not going to spend a lot of time on this. There's a – here's a slide that sort of establishes our chronology.

We basically spent from Brussels until now – I'm sorry, from Nairobi until now with a pretty substantial interim report that came out right after Brussels. Next slide Margie. Margie and I had a knockdown, drag out fight about the graphic on this slide.

I was lobbying for a nuclear mushroom cloud but she came up with fireworks which is probably a more appropriate graphic. The charter, I'm sure you're all aware, the charter and I think the subtle point in all of this is that just after the charter was formed the board in Nairobi came up with their 2% resolution.

Which – 0 that's right. It's been – it was modified later to 2%. And so essentially what happened is that this charter was deferred by the working group in a mad scramble, to come up with a response to the board's resolution.

And so for the most part this charter is untouched. And that's one of the issues that's on the table for you as a council, is whether to continue and complete this charter or not. So anyway, that's the charter. Margie, next slide.

So Roberto and I – Roberto is the senior co-chair of the vertical integration working group. I don't know if he's on the phone. If he is Roberto, welcome to our gang. Anyway, we split this into two chunks.

We said phase one is the mad scramble, phase two is the actual completion of the formal charter. That's what this slide is all about. Next slide. Ned so we've produced one. We produced what we called the phase one interim report.

The headline is that we were unable to reach consensus in the amount of time that we had. And the board has as you all know, adjusted essentially an approach to vertical integration which is incorporated into the current final applicant guidebook.

Next slide. I think that's all I've got. So this is just expanding a little bit on what we meant when we said that this is an interim report. It's just that. It's mostly not a final report.

A final report would mean we're done with the charter, we've completed all of the stuff that needs to happen in order to meet the bylaws. And so this is a very substantial report produced by an extremely hardworking working group that has an awful lot of important and good information in it.

But we wanted to leave the council a little bit of wiggle room in terms of how to proceed. So this is not a final report. We didn't want to take that decision away from the council. And this slide highlights the four principles that while we didn't arrive on consensus on it these were emerging as themes.

One is that certain applicants are likely to be impacted by restrictions on vertical integration. Another is that there may be a need for some sort of exceptions. The notion of a single registrant, single user TLD should be explored.

And finally and probably most important, at least in my view, as junior co-chair is the need for enhanced compliance efforts. Compliance is a big deal. And just about everybody in the working group has a pretty strong opinion about compliance. We differ on which facet of that we think is important.

But almost everybody has zeroed in on that issue. I think that's it for that slide. So the next step is really up to you, the council. There's a resolution on the table as to whether to continue.

And if the resolution is – if the decision is taken by the council to continue, then the working group is asking for instructions from you essentially to revisit the charter.

The charter is quite in need of an update given the circumstances that we find ourselves in now compared to when the charter was written. And Roberto and I will tiptoe off the stage as the co-chairs.

Both of us have personal commitments that we've made that really make it awfully difficult for the two of us to continue the level of effort that we've been putting in up until now. So this is our swan song today. Thanks. That might be our last slide. It is. So there's your presentation.

Woman: Thank you very much Mikey. Do we have questions? Do we have comments about how to follow? Open the queue. Stefan?

Stefan Van Gelder: I fell asleep. Sorry. No, I just wanted to follow on to what you said Mikey, to say that there's a motion for our meeting on Wednesday that was deferred from the last meeting to terminate the working group. So you can all read that on the Wiki or I can read it now if you need it.

But it's being seconded by – it was made by me, has been seconded by Terry and Andre and the motion just basically does what Mikey has just asked us to do which is to terminate this working group and if that leads to something else we'll look at something else.

Woman: Any other comments about the motion, about Mikey's presentation? Jeff?

Jeff Neuman: I just want to thank Mikey and Roberto for the hard work that they've had to put up with and/or had to do and put up with a lot of nuclear explosions, I guess. So I just want to thank Mikey and Roberto and – for everything that they've done.

Woman: ...comment. Tim seconds that and I think we all do. So thank you very much for the presentation. Thanks for the hard work and we are ready for the break. And we meet again at quarter past 4. Thank you.

END