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CR - LACRALO Capacity Building Session 1
Sunday, March 11, 2012 – 07:00 to 09:00
ICANN - San Jose, Costa Rica

[background conversation]

Jose Arcé: Good morning. Good morning, everybody.

                         Good morning, everybody. Thank you for being with us here today so early in
                         the morning so that we can kick off with this event that we have been planning
                         for so long. It is a real honor for me to introduce Rod Beckstrom who will be
                         our first speaker in charge of welcoming us. He is ICANN's President and
                         CEO.

                         So Rod, thank you so much for your support of this LACRALO event and now
                         you have the floor. Thank you.

Rod Beckstrom: Much thanks to you, Francisco. Welcome to San José, Costa Rica, and
                         ICANN's 43rd Meeting. I am pleased to be here and welcome all the
                         representatives from 34 ALSes to this LACRALO event series in Costa Rica. I
                         understand you've got a very busy schedule set up for the next few days: six
                         capacity building sessions to build knowledge and awareness of ICANN AT-
                         Large; a working session to discuss and encourage greater participation within
                         LACRALO; and three general assembly sessions to work on important
                         LACRALO bylaw changes.

                         I also look forward to seeing your LACRALO Showcase following on Africa
                         and the wonderful Showcase that was done in Dakar, and to hear from
                         LACRALO regional leaders and highlight the activities of the LACRALO At-
                         Large Structures.

The LACRALO Costa Rica events follow up on the very successful events, as mentioned, in Dakar, Senegal. I'm just curious – how many people here were in Dakar, Senegal? How many were there? Okay, good, so we have a lot of fresh new talent in people of course because this is in your region, and we hope that this series of meetings will help you improve the effectiveness of the At-Large Structures across all of Latin America.

And I want to say a special thanks to the Chair of LACRALO, Jose Francisco Arcé; the Secretariat of LACRALO, Dev Anand Teelucksingh as well as other members of the LACRALO Costa Rica Events Organizing Committee. And I look forward to hearing about the achievements of LACRALO Costa Rica events.

So we're just really thrilled to have all of you here. The At-Large Structure is the part of ICANN that is the most open and the most decentralized to the civil society and to many important nonprofit organizations and many other important businesses and other groups that don't have a voice or a seat in other constituencies. And I think that it's the ALAC structures that make ICANN very special because you not only have sort of large business interests and the government interests but to have civil society be able to have a seat at the table and to advise the Board of Directors of ICANN is extremely important.

And I will also note that I think that ALAC has made remarkable progress these past two years in the work that you've done to issue very clear guidance and advice to the Board of Directors in your letters, your documents. And we know that takes a huge amount of work to coordinate all around the world, and I so much appreciate Olivier Crépin-Leblond's leadership of ALAC. And he's been a really fantastic partner to work with for me as CEO of ICANN, and I really think that we should give him a round of applause if we may for his efforts.

[Applause]

EN

Rod Beckstrom:	And that concludes my remarks, and if there's any questions I'd be very happy to answer them. Otherwise I'm very happy to listen. Thank you.

[Applause]

Jose Arcé:	Is there any question to Rod? No? Are we okay then? We thank you, Rod, we really thank you for being here. We appreciate it. We appreciate your support of this event and your support of the growth of the Latin American and Caribbean Region. Thank you very much.

[Applause]

Jose Arcé:	We are a little bit late so we had a somewhat large introduction that we are going to skip, and I will invite the first speaker this morning. I don't know if the speaker will come to this side of the table. Olivier, would you like to take the floor? Go ahead, please.

Olivier Crépin-Leblond:	Yes, thank you Chair. I just wanted to say a couple of words while the next speaker takes their place, either at the table or gets ready to speak. I wanted to thank everyone here for coming to this extraordinary set of events which has been put together by LACRALO members. It's the membership that has been able to work in a very short amount of time to do a program which I think is going to make everyone pretty happy, and certainly is going to teach everybody a lot of things about how ICANN works and what ICANN is all about.

It's a very strange animal. It's very much unlike anything else you've seen outside of these walls. It's totally bottom-up; it's something which is described |

with a lot of difficulty but when you actually experience it you will hopefully be able to understand it or at least you will understand it more than before you've come here. So I'm extremely happy that we were able to put together this set of events, that it was funded by ICANN.

And that's pretty much it for the time being, so thanks very much.

[Applause]

Jose Arcé: Thank you very much, Olivier. I would like to introduce Alejandro Pisanty. Alejandro is very well-known and very knowledgeable, and he will be speaking about a very significant topic. He is the Chair of ISOC Mexico. Alejandro, would you please stand up so that we can see you? Thank you. First of all, here goes this round of applause to Alejandro!

[Applause]

Jose Arcé: Alejandro will speak about the internet ecosystem. We decided to have this topic first on our agenda so to have a very clear context. Alejandro, would you like to speak from that spot? Would you like to come here next to me? Whatever makes you feel more comfortable.

Would you please use the microphone? While Alejandro is getting ready for his presentation I welcome you all. We are a little bit more relaxed now. I thank you for being here. I am really happy, we are really happy because I was speaking about this with Dev and all of you are here. So the region had longed for this face-to-face meeting, so to see all of us together, it is really moving. And we were speaking about this five minutes ago with Dev, and we really want to share how we feel because this is a really, really, really enjoyable moment

and we hope it is so for you, too. So please feel free to make any questions; if you have any doubts please let us know. You can raise your hand, you can voice your views, ask questions.

These capacity building sessions belong to all of us. We are the owners of these sessions and we learn on a daily basis. We live and learn, so please feel free to make any question so that at the end of the week this is going to be a success. So we are making the most of these seconds while Alejandro gets ready, if you have any comment or question?

Tick, tock – the clock's ticking, time ticks away. We are waiting for Alejandro to get ready. Dev, would you like to take the floor?

Dev Anand Teelucksingh: Good morning, everyone. Welcome to this meeting. I am really happy, really happy indeed to see many of you here today. I'm just very, very happy that many of you are here, and to echo Jose Arcé's comments, I look forward to the week of long events.

[Applause]

Jose Arcé: Sergio?

Sergio Salinas Porto: Thank you, Mr. Chair. For the record I'm Sergio Salinas Porto. I just wanted to adhere to this feeling of happiness that has been voiced by Dev and Jose. I want to welcome you. Yesterday we started working. This symbolizes that we really want this week to come to fruition in terms of our work here in Costa Rica, and I especially want to thank other people that have made this possible and have not been mentioned.

I want to thank Sebastien Bachollet, our representative – the users' representative – at the Board of Directors; and also Rodrigo de la Parra. Their work was really excellent and they made this possible, and now we can enjoy this work that we have done all together. Thank you.

[Applause]

Jose Arcé: Go ahead, please

Johnny Laureano: Good morning, I'm Johnny Laureano from the Association of Internet Users of Peru. This is my first time at an ICANN meeting and I want to especially thank ICANN staff that are working with us side-by-side on a daily basis.

[Applause]

Johnny Laureano: I also want to take this opportunity, especially in my case – you know, this gives me an opportunity to get to know ICANN. I am here to learn as much as possible and that's why I thank you in advance. Thank you and good morning.

Jose Arcé: Thank you for joining us today. This is the result of a joint effort by all of us and for all of us, so please make the most of it. Alejandro, are you ready now?

Alejandro Pisanty: Thank you, good morning. I'm going to speak in two languages, in English and Spanish, and I will be switching languages so I thank interpreters in advance for

this test of their interpreting capabilities. Please feel free to remember my mother, who was also a simultaneous interpreter, and I know of your plight – in her memory.

Anyway I will speak about the internet ecosystem. Briefly, before I start with the presentation, I am really happy to see this regional convergence of the ALSes that make up LACRALO. I am really happy about this Capacity Building Program and about the General Assembly organization. It was so complex and so difficult to come to an agreement but I think that we all feel like really making LACRALO work and to inject vitality. And the fact that we are here together and have this working program is really a great achievement.

Our schedule is tight to I will focus on three aspects: one, I will briefly review graphically more than verbally, I will review all the outstanding aspects of the internet ecosystem using a text produced by ISOC, the Internet Society, two years ago; second, I will speak about incentives that exist in some systems, and I will do so in an elementary fashion. This will bring in some elements that will come in handy for our analysis. This comes down to understanding how things work. And thirdly I will offer some possible approaches that will help us understand the system and work with the system.

Initially we didn't even have an internet, so basically this was about building a network and making it operative; and started to have some services in Mexico. My approach to the internet ecosystem of course is going to be the one that is the basis for the debate on internet governance, so I had to be selective. Let us focus on technical standards. Initially, these technical standards were created by mathematicians, engineers and the technical community that started creating the software for the internet, and these standards were needed so that they could intercommunicate or exchange working methodologies related to what they were designing.

This resulted in a first attempt to resort to the ITU so that the ITU could set up a special or dedicated group that would work in the standardization of the IP protocol and the communication mechanisms by applying this protocol in a

layered model – the principle of interoperability. This layered or layering or tiered model is very important so that we can understand the ecosystem and the interaction between different participants depending on the tier where they operate. The ITU made no heed of this and considered this as a sort of toy network, and this initial mechanism was not very formal; and we had the IETF initially so that standards are permanently reviewed. And that's where our permanent [data] starts.

I will post this on sites here or any similar site, or probably the LACRALO site so that you can access the presentation. My apologies; I don't have a full-screen version of the presentation. Let me just tell you about some of these components. These are the components of an ecosystem that interact amongst each other. We have all the operative aspects of the internet, the interconnectivity, the data path transit or traffic; and then we have higher tiers with businesses or activities such as browsers and the creation or generation of content, and the distribution or circulation of content in real time.

We are going to focus on part of this graph. We have the central coordination system devoted to technical standards. This system focuses, or a subsystem rather, within this ecosystem that focuses on the creation or evolution of standards, the operation of central identifiers once these standards have been established and so on. Next slide, please.

I will briefly refer to the names and addresses system. This system is mainly determined by several organizations, most of which are part of the internet ecosystem and have a subsystem for names and addresses. And these organizations were created on the basis of the internet. Take me back to the blue slide, please. Can you please go back to the previous slide? Thank you.

The oldest organization in the names and addresses space is the IANA – Internet Assigned Numbers Authority. Originally IANA was Jon Postel's office and their structure was his notebook on which he wrote by hand the resources he allocated, such as address blocks and the like together with other founding

fathers such as [Dr. Marta Petres]. So they had this record. This subsequently evolved until it became part of ICANN.

Once ICANN was created the gTLDs, the generic top-level domains and their operators were recognized. We need to remember that each generic top-level domain such as .com, .net, on the one hand is a name; but then underneath contains all the name allocation policy for .net, .org, etc. But this is just an abstract concept. However, underneath each of these we have the physical operation of a registry. For instance, let us take .com – this is one of the very first ones. This was assigned to Network Solutions, a company that is part of Verisign now. So Network Solutions also had a commercial policy.

These are the different components of the same element or component within the ICANN ecosystem – Network Solutions on the one hand is applying a policy to assign names, and on the other hand it's operating a business to sell, resell, cancel these resources; and on the other hand it needs all the scalability, security requirements, speed requirements, etc.

Jon Postel, when .com, .net were created, was under a lot of pressure to create the domain names that we could call national or country code TLDs, ccTLDs, that subsequently would be grouped. These are also registries. Many of you work with ccTLD registry operators and you know that there's a strong interaction there at that point with governments and national policies. Also we have the regional internet registries that operate in terms of numbers of IP addresses, next slide please.

This shows the services and the operations that are shared, and once again we have the gTLDs and the ccTLDs, and we also have the ISPs, the registries and the root servers and all the operators in the network. Next slide, please.

We're going to see the standard model. You have the IETF and the corporate entity or business RALO which is composed of the ISOC and the Internet Architecture Board, and the Internet Research [Taskforce]. And therefore we have other organizations which belong to the internet than just the internationalized domain name consortiums, and we will have also organizations

such as the International Union of Telecommunications and providing standards, and associating different companies' manufacturing equipment in the inferior or lower tiers. And we have recurrent stages. Next slide.

I'm going to speak about… As I said before, it is not possible to go over the whole ecosystem so these are the subsystems or components that help us to understand how the internet operates and how we can divide the operations from the governance point of view into subsystems that interact among themselves by means of different mechanisms. And they have different ways of working.

I'm going to speak about subsystems from a different perspective, and this is that we have classification into different topics. We have available the forty issues of government issues selected by the Governance Working Group, created after the Summit in 2009, 2003 and 2005. We can see some of the main stakeholders and the answers and incentives. The stakeholders when it comes to intellectual property we have the individual manufacturers, the individual producers, business producers of content with authority, authorship or business according to intellectual property. Then we have the big wholesalers, we have the readers, we have the academia and society as a whole, the users as a whole because they are the consumers as well as the creators of this content.

Then we have the environment within which this intellectual property moves when the internet increases, and then we have the exchange model. We have digital copies which are almost perfect and cost transparency which means the amount of money people have to pay, and if they can get something free they wonder why they have to pay a certain amount of money; for example (inaudible) or a song.

So then we have the society, readers, and all the interested organizations – interested in the access to knowledge who have schools or organizations who are into development. They are willing to favor new business models, allowing the ecosystem of knowledge and the reduction of barriers. Then we have the certain distributors, ala the operators or the trademark representatives. They have an interest in maintaining control and in prosecuting and extending rights, and to

avoid the overlapping of protection mechanisms. That's why they're trying to overlap sometimes certain rules such as [the actor].

What is the answer to all this? We have different accelerated prosecution mechanisms or confiscation mechanisms or domain name seizures, and other mechanisms paving the way such as the (inaudible) Report, and they seek an evolution of intellectual property rights.

When it comes to SPAM I'm going to omit this for the sake of time, but you see that we have an analytic analysis towards this approach.

On the following slide we have the market of domain names and we have the stakeholders, the main stakeholders. They are the registries, the registrars, the private initiative, the civil society, trademarks' owners or representatives of trademarks. Then you have certain criminals in this domain name market because it generates thousands and thousands of domain names, and they are the messengers of criminal activities that are not related to the domain name market such as phishing or other types of fraud. So the environment of this is the separation of differentiation between registry and registrar, which is very important because it is important to create a retail market, the introduction of new gTLDs, the lack of classification of trademarks and the lack of limitations.

So the incentives of the different sectors: we have the market, actors in the domain name market and they seek innovation. They have the possibility of having a business plan or business model, easy incomes. Sometimes we have other models, other views of the system; and the opposite is the system offered by the DNS which is the stability and flexibility model. In 1995 when this was regulated, this paved the way for the creation of ICANN. With the support of the different economists and other professionals we could talk about all the [forty] topics within this Summit.

And just to finish, there are certain approaches applied to this issue – one of them is descriptive. We have an economic competitiveness approach; we have many of them. We have been using collective action approaches related to the market, the growth of the private market. For me it's very interesting to

approach different markets, internet market systems in terms of the common resources or the managing of commons stated by [Mrs. Offstrom]. She's a very famous economist; she's not devoted to this issue but she's a Nobel Prize winner, and she speaks about the management of common resources such as grass or fishing resources. And she says by means of the [plain] or gaming theory certain structures by means of which incentives may favor people; for example, each farmer may take his [goals] and get the most of it, even though the collective amount or the collective group does not have the same benefit.

So this is inside of a community where the community creates its own roles to manage this resource. The alternative that we have, the [extortionist] roles: we have the [general] rules. And in her book, called *Understanding Institutional Change*, she analyzes cases according to the different roles – what the operating and dominating roles are. And she devised this into different quadrants. There are certain quadrants in which rules are not clear or strong but the stakeholders have a lot of incentives to exploit resources at the expense of other stakeholders. So this provides us a very interesting approach to analyze the internet ecosystem.

And the last thing I would like to mention is the internet governance as forestry, and here we have an analogy between the management of the internet ecosystem and the forest resources. This gives us an idea. So I finish here and I open the floor for questions and comments. Thank you very much.

[Applause]

Jose Arcé: Thank you very much, Alejandro. We are open for questions. Is there any question for Alejandro?

Carlos Aguirre:	Carlos Aguirre. Hello, Alejandro. Your presentation was excellent and this does not surprise me. When it comes to what you said, you mentioned IANA. Due to your proximity and knowledge I would like you to give me or explain to me your point of view of the fact that the US has stopped ICANN from managing IANA.
Alejandro Pisanty:	Thank you, Carlos, for your question. The question is about the immediate meaning of the announcement made by the US government when it comes to closing and reopening the period. I wouldn't like to talk about this simply because I don't have enough information but I would like to say that the historic trend in this is that IANA was firstly created as an academic operation to manage the registration of resources; the allocation of names and addresses. It became a great operation when the contract in which the operation is based becomes an academic contract, and it didn't belong to the Defense Department but it belonged to the Commerce Department.

And this Commerce Department, there Jon Postell saw there was a risk for litigation because there were many litigations open and they wanted to stop this and stop the government from being part of this. So there was litigation that might put at risk certain responsibilities and millions of dollars.

The ICANN legal existence is based on the self-regulation mechanisms of the community and the allocation of certain functions by the US Department, and it is a specific contract which is the IANA contract. This is a contract for the IANA operations, the operation of the central system for domain names' parameters, IP addresses and protocols.

This contract is the one that has been renewed and the government now has decided according to US law to create a bid, and the announcement of the suspension tells me that we still have negotiations ongoing and I don't see this… I mean I am not happy or I do not welcome this suspension or cancellation but I believe it is a part of the process that should take place. We should pay attention

to the different discourses and speeches of the authorities to understand the issue better.

I do believe that this was publicly understood as a kind of pressure for ICANN to stick to certain requirements expressed by the government, but it is possible that during all this process we might be able to wait until a new [general date] is announced and take into account the elections that are being carried out in the US. And perhaps in the end we are winners because otherwise it is a difficult issue to deal with.

From the system point of view and the ecosystem point of view, this is a very symbolic event and the resolution of this issue would imply or would describe the ongoing relationship between governments and the communities.

Jose Arcé: Thank you very much, Carlos. Fatima, you have the floor.

Fatima Cambronero: Good morning, I am Fatima Cambronero. Question for you Alejandro: you talked about a permanent [beta] which has to do with the innovation principle. My question is how do we match this, the principle that reads "do not solve the thing which is not broken?"

Alejandro Pisanty: I would like to analyze this question into different tiers. When we say internet governance as you said before, if something breaks do not fix it, we are referring to something which is not static. This is one of the most confusing things, and the most confusing thing affecting our internet system is that the domain names, IP and [correlated] resources, it's the static cure that should be defended. So when we say "change" this seems to be an innovative perspective.

When you say "don't fix because it is not broken," the best evidence that this is so – it's adapting capacity. And the possibility of moving or changing this

evolution should be considered as going backwards to the point. I mean attempts of going far away from the mechanisms used by governments and in which the governments have a high weight, and they adhere to the multi-stakeholder model; and these authorization mechanisms have a greater weight and importance in comparison to those related to the evolution scaling, testing models because they are characteristics of the evolution.

So perhaps this might be the answer to your question: we're always insisting on the governance internet system, so if this system is not broken please do not fix it because this is not a static structure. It's a really dynamic one so if we need a fix or a modification this is going to stop continuous innovation.

Jose Arcé: Okay, thank you very much Alejandro. Antonio Medina wants to ask a question, and after his question due to the amount of time we're going to close the Q&A session. So Antonio, thank you very much for your question and you have the floor.

Antonio Medina: Good morning to all of you; Alejandro, good morning. My question is related to, according to what you said – my question is what is the role that we should play from the Latin American and Caribbean region within the organizations, especially because this is a problem that is being solved in other hemispheres as if this is not a situation belonging to our region. So what is your suggestion about this, about our appropriate intervention so that our decisions be part of our agenda?

Alejandro Pisanty: If we consider the internet ecosystem as a whole we see that there are various places in which the Latin American and Caribbean people are very active; for example, in the production of technological components, [user base's] knowledge – we are very active. We are more restricted in the important activity in terms of governance and this is our concern. I see or I think as it is

the case of the developing countries that we have a concern in the creation of the business, in the creation of the knowledge distribution mechanisms in our approach for the region. We need to create open access mechanisms, the management of intellectual property.

We do not have the incentives yet to worry about the management of domain names because we have stable ccTLDs because we have a network operator, operations that are okay if we compare that with the rest of the world. We are very focused on the governance, internet governance issue. We are introducing different incentives; we are trying to expand or increase access. So we should pay attention in the management of the subsystems and central coordination by two main things.

One of them is the spreading of knowledge and the operation of business in the Latin American and Caribbean community. We do not have so many people with domain name conflicts or [run] name conflicts, or security conflicts in terms of the domain name so as to have that incentive. And secondly, I think that we are doing something that is quite specific within this ICANN meeting, and that is this specific capacity building session and the creation of the meetings with different organizations in order to solve all the problems that we have.

Jose Arcé: Okay, Alejandro, thank you very much. Thank you for your support and thank you for endorsing this capacity building session.

[Applause]

Jose Arcé: We are now going to listen to our next speaker, Rodrigo de la Parra. He's ICANN's Vice President for Latin America, so Rodrigo, thank you for being

here, for supporting this program. And please give a warm round of applause to Rodrigo.

[Applause]

Rodrigo de la Parra: Thank you. Good morning. Once again, welcome to Costa Rica. It is indeed a great pleasure to see this high turnout here today. To ICANN in general as an organization it is indeed important to have a rich and wide participation from its users from all the regions. So since this is a Latin American and Caribbean Regional meeting well, we were expecting no less; however we had to walk along quite a hard path to reach this objective. And many of you are well aware of the efforts required so once again my recognition and congratulations to Dev, Jose, Olivier, Sebastien and everybody who contributed and made this possible in such a short time.

So after Alejandro Pisanty introduced the internet ecosystem, maybe it is in order to zoom into ICANN. I see many familiar faces, many people that have been involved with ICANN for a long time and many new faces, so even for the old timers I don't think that it's going to be a redundancy for us to have a reminder of this organization's principles. Sometimes we forget certain things that shouldn't be overlooked. Sometimes we are sailing, if you will, and we lose track of our destination. So for the newcomers it is important to give you an overview of this organization.

The time allocated to my presentation wouldn't be enough for me to describe the organization in detail, but anyway, for the newcomers the best way of understanding ICANN is to attend an ICANN meeting. Therefore, please rest assured that the community has set up mechanisms to help you navigate or cruise, if you will, or swim in this huge sea or ocean of acronyms. But I'm sure that at the end of this week you will have a far more complete view of what ICANN is about.

So what is ICANN? ICANN is a global organization. Today we are indeed a global organization, conceived as such but much more solid now. We have or our legal nature is that of a nonprofit private organization set up in California and governed by the laws of the state of California in terms of operational aspects, but when it comes to decision making we are no doubt a multi-stakeholder global organization. This word "multi-stakeholder" will be mentioned in all the ICANN and ICANN-related activities and in the activities of all those bodies that are involved in decision making on the internet.

ICANN's mission is the administration of critical internet resources; among them, the domain names, the IP addresses – those are the most visible ones – but of course we perform an important role with certain technical parameters and protocols such as the management of root level servers. But I'm going to focus on IP addresses and domain names.

ICANN's core objective is to be committed to the preservation of the operational stability of the internet, the promotion of competition always by means of a comprehensive representation entailing bottom-up, consensus-based processes. Next slide, please.

I would like to focus on these three concepts: broad, bottom-up representation based on consensus. The ICANN processes are bottom-up processes. This means that instead of having the Board of Directors choosing from a top-down approach the topics to be addressed, members of different ICANN constituencies can propose topics from the very basic elements of the organization; and these recommendations may end up in Board resolutions that will help the staff or else will initiate a proposed policy. I think this is a core principle within ICANN that sets the organization apart from other international organizations. Next slide, please.

Another founding principle somewhat incorporated or built into ICANN's DNA is to reach decisions on the basis of consensus. Gradually you will become familiar with ICANN's bylaws, and through the bylaws and ICANN processes and international meetings such as this one we see that ICANN generates or

creates a space for all interested stakeholders to debate internet policies. So as you can see, every group has a workspace in ICANN and our idea is to guarantee global representation when it comes to decision making. So it is important that the organization should be able to listen to all points of view and seek mutual interests so as to work in conjunction and reach consensus. Little by little you will elaborate on this concept.

However, although it seems very easy to say "Okay, ICANN decisions are consensus-based." This requires work, and how shall I put it… This is part of the overtime in the making, on the go, in progress. This is not something that we do by the book, let's say, but we learn as we do; and in LACRALO you will understand the essence of this concept. However, we are also interested in individual interests. This is extremely important especially for activities such as the one that ICANN performs. Next slide, please.

Another multi-stakeholder principle, this multi-stakeholder principle is in my opinion vital and very [normative] to this organization. This is a concept that is somewhat harder to understand even in black and white, but you learn by doing also. This inclusive nature in ICANN… Excuse me, I think there's some glitch with the presentation – can we please go back to the slide? There, exactly. Thank you very much.

So ICANN addresses the public sector, the private sector, the civil society and technical community as peers. Here in the internet community you will find these registrars, registries, ISPs; and I will go into some detail, explaining each of these components because they are part of the internet ecosystem, but there is also an ICANN ecosystem where you will find IP advocates but you will also find for instance non-commercial constituencies, you find the Government Advisory Committee with more than 110 governments and also a wide representation of internet end users. And this structure is part of that. All points of view are considered. Next slide, please.

I'm sorry I don't have a full screen view but this is a graphic representation of the multi-stakeholder model in ICANN, and this is today's snapshot. But this

model is dynamic and it took some time for the model to evolve and reach this stage. I always start with ICANN's acronyms. As you can see, ICANN stands for Internet Corporation for Assigned Names and Numbers, and names and numbers – these two N's – are represented in these organizations here, in the supporting organizations or the SO acronym that you will see in many documents.

We now have three different types of supporting organizations. However, initially we had only two: one for numbers or IP addresses, and that is called ASO – Address Supporting Organization – and that is the organization including regional internet registries – LACNIC, AfrNIC and all the others. And then this was broken up into the following: the names section, the domain names section that organization as Alejandro explained translate IP addresses for the end users, and these names have or are split into gTLDs such as .com, .net. Today we have 22 of these generic top-level domains and then we have the country codes. That's why we have the ccNSO which is the supporting organization for ccTLDs.

Indeed this separation makes a lot of sense from the point of view of the creation of internet policies. While the gTLDs that operate within the GNSO have a contract with ICANN and the policies applied are global ones that have to be observed by all the gTLD registries, the ccTLDs do not have this characteristic. Their policies are not global and there is room for each ccTLD to make their own decisions within its own national sovereignty.

Then we have the ACs or advisory committees. That is another acronym that you will find in many places, and today we have three ACs. I will only mention the Root Server System Advisory Committee and the Security and Stability Advisory Committee, but you should focus on ALAC, At-Large that has been translated as [El Cance] in Spanish; so your At-Large Structures, your ALSes. And they are part of ALAC.

We have the Governmental Advisory Committee and I was telling you about the number of governments in the Committee which is also an AC. And it's

different from the other two. And we have two groups and a taskforce – the IETF – that works together with the Board in decision making; and we have the Technical AC.

You met Rod Beckstrom; he is the President and CEO and has a seat on the Board of Directors, and he is in charge of managing the staff. A common mistake is that when people refer to ICANN they focus only on this side of the model – that is the staff, which is a small staff comprising 150 people. But when you refer to ICANN all the components are included in the model – you, too. So we are all included as part of ICANN, so we have 1700 at an ICANN meeting? Well that is ICANN.

If you look at the graph, the highest decision making level at ICANN comprises all the groups – the SOs and ACs that work together and make decisions on the basis of this process I was telling you about. And they have a seat or two seats such as the ASO, the GNSO, the ccNSO. At-Large has one representative – Sebastien Bachollet is your representative. He was here a while ago, and we have At-Large leadership with Olivier. All of you are part of this structure.

If you look at this blue section we have the Nominating Committee there. The structure needs each and every one of the members in the community when it comes to decision making. However, we also need to source people that can populate these committees or organizations. So the Committee is permanently searching for distinguished and well-known personalities in the internet community and they nominate these candidates. And at the end of the day eight seats are elected or eight members are elected to the ICANN Board.

Please take into account your representation because you are part of At-Large, but you are part of Latin America. So in the ICANN bylaws there's a requirement of geographic representation. We need to have at least one member from each region. Today we have only one member from Latin America – that in Gonzalo Navarro from Chile. But throughout ICANN's history we had three or even four directors at the same time from the region – Alejandro Pisanty was a member of the ICANN Board, and we had other members from the region.

We have to promote, to encourage this participation so that through the NomCom we may have higher regional representation. Next slide, please.

If we focus on names and numbers, let us now focus quickly on numbers. When it comes to IP addresses at ICANN, we see that we have global and central coordination. There are many more things going on at a regional level. ICANN through the IANA functions but now IANA is part of ICANN. ICANN has this function; that is, to distribute the address blocks among the five RIRs – LACNIC, RIPE NCC, AfrNIC, ARIN, APNIC. For ARIN and LACNIC we have some overlapping or coincidences: in the Caribbean Region.

And these RIRs in turn allocate the addresses to the registrars and to the end users. Each of them has their own address allocation mechanisms and policies but observe global policies that are debated at ICANN. Through the ASO as we saw in previous slides there have been two very important policies: first IPv4 and then IPv6. Evidently there are always issues to be debated but we need to try and understand the functions – the ICANN functions and the RIR functions – and tell them apart. Next slide, please. Can we please, Matt, keep showing the slides? Keep on clicking please, Matt, so that we see the full content on the slide. Go back please… Thank you.

Let us try to understand the ecosystem, the names ecosystem or domain names ecosystem. In fact, this is quite complex because we have words that look and sound alike both in English and Spanish and have very, very subtle differences in meaning; and their function of course is different. Let us start with a user or an organization that we know as the registrant in our jargon; and let's see the registrant's options when it comes to registering their domain name. Initially the registrant has two choices depending on the type of domain name they want to register. If they want to register a ccTLD, for instance .cr, then they go to the registry for that ccTLD and they could do that through a registrar or a ccTLD. For instance, I'm going to let you know when the ccTLD works with registries and registrars, or the registrar can resort to a gTLD registrar.

You have retail and wholesale systems. The wholesale part involves the registries that have a contract with ICANN and have their retailers that are their commercial branches, if you will, and the end user can resort to them for the sake of registration. The ones really operating the infrastructure are the registries and not the registrars. When it comes to ccTLDs they are also registries and they have part of the infrastructure. Some of them have two options: direct sale or direct access to the registry, or a registrar model along the lines of the gTLD model.

And finally we said that gTLDs hold a contract with ICANN; in the case of ccTLDs, as I was telling you before, they in some cases have cooperation non-binding agreements or documents and they pay voluntary fees to ICANN whereas these other ones pay fees entailed in their contractual obligations towards ICANN. In the case of registrars, on the one hand they have a contractual commercial relationship with registries but they have to be accredited by ICANN. And finally, a third alternative for this registrant is to go to the secondary market with the resellers, and this is the evolution, the legal evolution of the cyber squatters.

These resellers do not try to as they used to do in the past, to register trademarks. Nowadays they combine top-level domains and second-level domains so as to have a business sense without affecting intellectual property rights; for example, tequila.mx might be something attractive for someone so they register that and then they commercialize actually this and sell this domain. So now this generates content in their pages so that they can generate traffic and have a better sale. They do not have a connection with ICANN but they are part of and they belong in this ecosystem.

We can talk about some achievements. This community, since its creation have achieved a reduction of domain name prices by 80%. We know that prices are included with the other services so we have a greater competence in innovation online and on the internet through the introduction of the TLDs. You will see this program in perhaps other sessions. There was a dispute resolution policy implemented, a UDRP, to solve domain name (inaudible). There was an

important coordination for the introduction of internationalized domain names which is the use of other languages and characters to access certain information on the net based on different alphabets: for example, the Arabic, the Chinese alphabet, and so on. And now we have the task of deploying the DNSSEC. This is a security system within the domain name system allowing or ensuring in a certified way that the URL are using or writing gives us the information that we are requesting. Next slide.

This is all. I'm open to questions or comments. Thank you very much.

[Applause]

Jose Arcé: Thank you, Rodrigo. It was a great effort to summarize ICANN in such a short period of time and it was very clear. Now we open the floor for questions. So if there is anyone who has any question please feel free. Eduardo?

Eduardo Diaz: My question is about the registries and the registrants. A ccTLD sells its domain name. If that ccTLD starts selling generic domain names, okay, at the same time, does it become a registrar? In that case is he obliged to have a contract with ICANN on the part of the gTLD?

Rodrigo de la Parra: Yes, it's an organization having two missions – as a ccTLD there is no such relationship. There are some of them who have signed cooperation contracts where they have settled their volunteer fees, but we can have a kind of commercial exhibit or commercial annex, and this is a new commercial figure. And in this case it should be accredited by ICANN, and this accreditation is carried out by means of a document which is available online. We   have   had

several stages. Some time ago these registrars didn't have the relationship with ICANN but nowadays they should be accredited.

Jose Arcé: Alejandro Pisanty, you have the floor.

[Hilberto]:   Good morning. I am [Hilberto] from El Salvador. This is my first time participating in this meeting. It was very clear, your presentation. I am new and I knew a little about this but you cleared my doubts. My question is why the country registries sometimes charge and sometimes do not charge. Why?

Rodrigo de la Parra: Thank you very much. Welcome. Thank you for your question. It is a very timely question. This shouldn't be dealt with within ICANN because for the ccTLDs, this depends on the sovereignty of the country or the organization who decides the approach or commercial policy to follow in order to have a registry system under that ccTLD. I may say that in Latin America we have a great range of different ccTLD schedules. We have some of them who do not charge. I have in this example Argentina, .ar – it is free. It is free for the user but the operation of a ccTLD is not free especially in the case of Argentina that has a lot of internet users and many domain names under the .ar. And many maintain these costs.

So the model maintaining .ar, this has changed somehow but this is managed by the government. The government manages the ccTLD in Argentina, so by means of the tax paid by the citizens they maintain this. So this is their issues; they are the ones to discuss this issue. There are some other examples: for example, in the case of academic institutions the one having that responsibility and prices or cost vary according to the market mostly. If it is a large and important market the unit price per domain name is quite low and in comparison to a small market where you have to charge a great amount of money. So it's not that simple to operate a ccTLD because it is a registry.

The ccTLDs and the gTLDs are registries and they have a very important technical function. They manage a piece of critical amount of internet and they should assure certain things. Therefore they have many things to manage: for example, applications to the network. That's why the operation becomes more complex. This is something that is not regulated by ICANN. This is to answer your question, so this is the willingness of the user.

Jose Arcé: Okay. Alejandro Pisanty was holding the floor.

Alejandro Pisanty: Okay. The question is related to [Hilberto's] question. I am joining (inaudible). So the question as I said is related to what [Hilberto] said when it comes to the internet governance in our countries. It is true what you say about the free payments for the ccTLD managers, but it is also important I think due to the economic importance of the internet in the world. We know that the internet has generated a great impact on the world. For some of us it's a strategic resource and we do all agree on this.

So this resource, this responsibility on the part of ICANN and these administrators and managers I believe should look for or should have a mechanism to use participation in the country. So I hope that perhaps somehow… I'm not going to talk about prices because we know that we have an operational cost and we need to know how to manage market loss, but the economic importance for the country, for the user community, for the individual users not only translated into individuals but also translated into small companies – I can say that, and I imagine this might be the case of Peru.

80% or 50% of the economies in these countries related to the GDP might represent an important part or an important cost in terms of small companies, micro companies or individuals. So I don't see what other interest the user may have as a small businessman but obtaining a greater use of the internet so as to achieve their goals.

Finally, the issue is that we should look for a mechanism for the managers of the domain names no matter if it is a free management or not. They should have an acknowledged management and they should meet in order for us to tell them "Please do incorporate your civil institutions into your discussions whenever you don't have an economic agreement with ICANN." That is what the RFC-1591 establishes.

Many of the things I would like to learn in these sessions are focused on reinforcing that idea. A manager cannot depend on the government because they should represent the interest of a sector and they need to represent the interest of the users. Thank you very much.

Rodrigo de la Parra: Well, I think that your comment is very valuable. I take note of it and what I can say is that we can offer a dialog into this since we have a regional organization of ccTLDs in Latin America. And with the leadership of LACRALO perhaps we may create either within the context of ICANN or somewhere else in a forum, we can create these discussions for you to exchange your concerns with these organizations. And perhaps at the ICANN level we may try to find a space for you to discuss these issues with the organization.

Jose Arcé: Thank you, Rodrigo. Alejandro, you hold the floor right now.

Alejandro Pisanty: Thank you, Mr. Chair. I would like to add, in order to contribute to the presentation, two topics: one that is related to the one mentioned by Eduardo Diaz. When the registry, geographic registry ccTLD decides to participate in the generic market it has two options. One of them is to be accredited as a registrar; that is to say, to sign the Registrar Accreditation Agreement issued by ICANN and submit itself to all the conditions established in this contract; or serve the domain names without signing this agreement so he becomes a reseller. And

this is a mechanism which is not desirable and is not recommended because it offers basic operations.

We have a basic concern when it comes to the ecosystem, that incentives for ccTLDs when they participate in the generic market, they can sell back-office, they can do it in a back-office way – that is to say, without participating directly in the sale procedure. And sometimes this process is not compatible with others. So as a ccTLD I also refer to [Hilberto's] question. What governs ccTLDs is RFC-1591, so we have to pay attention to this regulation. But the ccTLD is obliged with the global and local internet community. They have to make the local resources available for the world and make global resources available for the local community. So we have to take this into account.

Then, when you start selling names you have a money incentive that can be focused on the benefit of the ccTLD rather than on the benefit of the local community. That is something we have to be very aware of. And when it comes to greater participation in the governance of the ccTLD and the governments, there is another guideline that we should take into account which is the International Information Summit. Rodrigo was there and we understood how all the agreements were created; and we have to take into account then or use them with a pinch of salt.

But for our government in the region and I would say the governments in the world, there was a declaration reading that "We, the representatives of the peoples of the world…" and then we have a document of 70 pages. One of these read that internet governments should be democratic participants with an effective participation of all the sectors; and therefore the answer to the question of what to do with that country underlies each country. Going to the government for it to create an internet governance forum and forcing the ccTLD to behave in a certain way may cause or may have bad consequences.

So I do believe that we have to operate directly with the ccTLDs. The ccTLDs do have participation mechanisms which are unknown to the community, and they have to implement the third principle. The first one was the RFC-1591,

then was the Summit, and then we need a principle of solidarity – that is to say, to keep things under, in the lower level; and in the case of the ccTLD we need an approach to the community instead of starting with governmental interventions and creating other problems that may go against the community.

Jose Arcé: Thank you very much, Alejandro. We'll have two more questions, the last questions so please be brief in your interventions. [Alberto], please introduce yourself and ask your question; then Carlton Samuels has the floor.

Alberto Soto: Hello. I am Alberto Soto. First of all, I would like to thank all the ICANN authorities for being here. I am very happy because today is my first time here. I'm going to make my questions, my words [to here]: this is my first time in a face-to-face meeting but I was very active before. So thank you very much, my name is Alberto Soto. I can mention Carlos Aguirre, Matthias – they have worked with me.

My contribution is that in Argentina the domain name is free but this is not going to be this way for a long time because the government needs money, and therefore we have a lot of domain names which are not used or registered by very few people. So we have about 800 domain names that are very similar to names, and they are registered; therefore we will be facing a big problem. So I do agree with the fact that our ALSes through LACRALO may reach the entity managing the ccTLDs so as to be able to participate in that way.

Particularly in many countries such as Argentina, when we have a problem with a domain name and the trademark, the charge gives priority to the brand name issue or the brand name law, and this is something we should solve from the legal perspective.

Jose Arcé: Carlton, you have the floor.

Carlton Samuels:	Thank you, Chair, this is Carlton Samuels. I'm going to respond in two instances; one as a registrar of a ccTLD formerly. I was a registrar for the .jm ccTLD in Jamaica and it was managed by the University of the West Indies where I was the Director of IT. There are participation mechanisms for ccTLDs like Alejandro pointed out. One of the problems is that people tend to think it's a technical thing and therefore they shy away from it. So there is a way for you to get involved in your own country, and if they follow the parameters set out in RFC-1591 there has to be that way.

The other thing that I wanted to point out was that several speakers have spoken about the LAC TLD, the organization for Latin America that brings together all of the ccTLDs. That is another way for you to make your voice heard.

The third way, and this is where your participation in At-Large is important and could be of value: the At-Large has a liaison to the ccNSO, which is the country codes-specific grouping in the ICANN world that handles ccTLD matters. The At-Large has a liaison representation in that organization and we're always looking for participants from the At-Large side to participate and become familiar with the issues of ccTLDs via the ccNSO. I think Johnny, it's a great opportunity since you have that interest in learning more about the ccTLDs and seeing how they participate internally. I think it's a great opportunity from the At-Large perspective for you to begin to participate in the ccNSO world. Thank you.

Jose Arcé:	Thank you very much, Carlton Samuels. So we're finished here. Thank you very much, Rodrigo, for your presentation, for your excellent presentation.

[Applause]

Jose Arcé:	Carlos, you have ten seconds. Nine.
Carlos:	I just want to greet you all. I need to attend a GNSO working session. I will be there the whole day and I just wanted to say that tomorrow we need to start very, very early because Carlton and I are very early risers. So please be here at 8:00 AM because at 9:00 AM we have the opening session for the ICANN meeting, the Opening Ceremony. So please be early. Thank you.

[Applause]

Jose Arcé:	Thank you, Carlos. Before we adjourn we are going to make a brief announcement. I would like to start with Eduardo. Please introduce yourselves. Say your name and the organization you represent and then Dev will make a two-minute announcement. Eduardo, can you please start introducing yourself?
Eduardo Diaz:	Eduardo Diaz, Chair of the Internet Society of Puerto Rico and I am an ALAC member.
Antonio Medina:	Good morning, Antonio Medina Gomez; Chair of the Colombian Association of Internet Users.
Marcelo Telez:	Good morning, I'm Marcelo Telez. I'm a (inaudible) delegate for Argentina.
Freddy Linares:	Freddy Linares for the Internet Society of Peru.

Natalia Encisco: Natalia Encisco, ALAC member.

Fatima Cambronero: Fatima Cambronero, AGEIA DENSI Argentina.

Carlos Aguirre: Carlos Aguirre, AGEIA DENSI International.

Guillermo Zamora: Guillermo Zamora from Argentina.

Juan Manuel Rojas: Juan Manuel Rojas, AGEI DENSI Colombia.

Sergio Bronstein: Good morning, Sergio Bronstein from Internauta Venezuela.

Javier Chandia: Javier Chandia, Chairman of Internauta Chile.

Sylvia Herlein Leite: Sylvia Herlein Leite, Internauta Brazil.

Sergio Salinas Porto: Sergio Salinas Porto, Internauta Argentina and from the Latin American Federation of Internet Users; and an ALAC member.

Matt Ashtiani: Matt Ashtiani.

[Applause]

Silvia Vivanco: Hello, I'm Silvia Vivanco. I'm a staff member and I'm the Manager for At-Large Regional Affairs.

Gisella Gruber: My name is Gisella Gruber, At-Large staff. Thank you.

Heidi Ullrich: Good morning. I'm Heidi Ullrich, At-Large staff.

Jose Arcé: Jose Arcé, Chair of LACRALO and AGEI DENSI Argentina.

Dev Anand: Dev Anand Teelucksingh, Trinidad & Tobago Internet Society and serving as LACRALO Secretariat.

Carlton Samuels: Good morning, everybody, I'm Carlton Samuels. I'm from the University of the West Indies, and I'm also a NomCom member appointed to ALAC.

Jose Salgueiro: Jose [Ovidio] Salgueiro from the Venezuelan Association of IT Law and Technology.

Male: (inaudible) from Guyana.

Umberto [Carascos]:	Good morning, Umberto [Carascos], Secretary General of the IT Association of Chile.
Alberto Soto:	Alberto Soto, Inter-American Institute for Information Society.
Cintra Sooknanan:	I'm Cintra Sooknanan from the Information Communications Technology Society of Trinidad & Tobago and I'm also Chair of the ISOC Trinidad & Tobago chapter.
Johnny Laureano:	Good morning, Johnny Laureano from the Internet Users Association of Peru.
Alberto [Lara]:	Hello, I'm Alberto [Lara] from the Connection Association of El Salvador.
Raul [Bauer]:	Raul [Bauer] from the Argentine Association of Information Users.
Ana Sanchez:	Good morning, Ana Sanchez from ISOC Ecuador.
Zelris Lawrence:	My name is Zelris Lawrence, ICT for Jamaica member.
Alejandro Pisanty:	Good morning, I'm Alejandro Pisanty from the ISOC Mexico Chapter.

Andre Griffith:	Andre Griffith, ICT Barbados Professionals Association.
Michael Forde:	Good morning, I'm Michael Forde from the Information Society of Barbados.
Roosevelt King:	Good morning, I am Roosevelt King, the Secretary General of the Barbados Association of Non-Governmental Organizations.
Alejandro Pisanty:	Jose, we have remote participants.
Jose Arcé:	Well thank you, Alejandro, for that comment. We have many remote participants. Heidi, can we have the remote participants take the floor… Or I think we have Luis Rodriguez, Carlos Watson… I don't know if anyone else would like to make a comment?
	We thank, we really thank and appreciate remote participants for joining us. Maybe we can type this on the Adobe Chat room. Dev, would you like to take the floor?
Dev Anand Teelucksingh:	Thank you, Chair – Dev Anand Teelucksingh here. First of all, At-Large staff has worked very hard and put together a very comprehensive package for you. If you don't have one please ask staff and you'll get one.
	In the package they have a detailed schedule of all the At-Large meetings, so please go to them. I just want to make a mention that for today there is a Newcomers' Lounge and a Newcomers' Track of several meetings throughout the day. The Newcomers' Lounge is right outside there, so especially if this is your first meeting in ICANN you can go there and have a chat, and they'll tell

you about some of the Newcomers' meetings talking about the basic training of ICANN's Wiki and a "Welcome to ICANN" and so forth.

I just wanted to also mention that this package also has the brochures for LACRALO – let me hold them up here – and so just hot off the presses here is the *Guide to Participating in ICANN At-Large* that is available both in English and in Spanish, and it's also available in a hard or soft copy.

Yeah, so again the Newcomers' Lounge is right out there, right by the steps out here. I think that's it.

Jose Arcé: Thank you all for your participation. We now adjourn this first capacity building session for LACRALO and this round of applause to all of us. Thank you.

[Applause]

Jose Arcé: May I please ask you the following: there's going to be an ALAC session so we need you to leave the room because we need places available for the representatives that will be attending the next session. So could you kindly leave the room so that the next session participants can take their seats? Thank you.

Dev Anand Teelucksingh: Just a quick clarification – this is Dev Anand Teelucksingh. I mean everybody's welcome to stay for the ALAC and Regional meeting but you'll have to leave the desk. Okay? Yeah, but you can sit right here and listen to the session.

[End of Transcript]