ICANN San Jose, Costa Rica, Meeting

Registries Stakeholder Group- TRANSCRIPTION

Tuesday 13 March 2012 at 09:00 local ICANN San Jose, Costa Rica

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Morning Session

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TRANSCRIPTION

Note: The following is the output of transcribing from an audio. Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record.

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(Cherie Stubbs): Good morning. Just a couple of housekeeping details. If you are going to speak, would you please be sure and identify yourself for purposes of the transcript and use the microphone.

And there will be an attendance sheet being circulated and I'd really much appreciate it if you would sign the sheet so we know who's in the room. And we're ready to start the recording. Thank you.

David Maher: Jon, could you lead off on the introductions?

Jon Nevett: Sure. Jon Nevett, Donuts Inc.

(Amanda Fessenden): (Amanda Fessenden), Internet Pro.

David Maher: Could you get closer to the mic? We can't hear.

(Amanda Fessenden): (Amanda Fessenden), Internet Pro.

David Maher: Thank you.

Byron Henderson: Byron Henderson, .travel.

Carolyn Hoover: Carolyn Hoover, .coop.

(Cherie Stubbs):   Excuse me. This is (Sherry). Just so people do know the meeting is being recorded. Thank you.

Jonathan Robinson: Jonathan Robinson, .mobi Afilias.

Karla Valente: Karla Valente, ICANN staff.

Jeff Neuman: Jeff Neuman, NeuStar.

Tim Switzer: Tim Switzer, .green.

(Claudio):   This is (Claudio), ICANN staff.

Keith Drazek: Keith Drazek, VeriSign.

David Maher: David Maher, PIR.

(Cherie Stubbs):   (Cherie Stubbs), Secretariat.

Ken Stubbs: Ken Stubbs, affiliate.

Chuck Gomes: Chuck Gomes, VeriSign.

Jonathan Spencer: Jonathan Spencer, VeriSign.

Man: (Unintelligible) (FEAR).

Ray Fassett: Ray Fassett, .jobs.

Ching Chiao: Ching Chiao, .asia.

Man: (Unintelligible).

Michael Young: Michael Young representing .music

David Maher: Thank you. First item is the agenda and there are a number of additional items
                   since (Sherry) posted the last version. I think the principle issue is the question
                   that was asked by the ICANN Board of Directors regarding medium term
                   issues in light of the new gTLDs. And I would propose to put that item in the
                   ICANN heading which is Roman Numeral -- if I can find it -- Roman
                   Numeral VII. Hope we get to that before lunch.

                   Another additional item is the GNSO resolution on the protection of the
                   Olympic and Red Cross marks. So that'll come under Roman Numeral VI.
                   And I think that does it.

                   Any other - go ahead Chuck.

Chuck Gomes: Thanks (David). I don't know if it's on there or not because I didn't go through and look at all the items. But like to add the outreach program that came out of the GNSO improvements.

There's some debate going on. Some of you probably heard a little bit about it on the weekend session when this was talked about. So if we could have a few minute to talk about that to make sure - I volunteered to work on a little group to try and reach a compromise between what the BC is concerned about and what the drafting team recommended and the Council approved as far as going forward on outreach for the GNSO in general. Okay.

So it's just - it's GNSO outreach.

David Maher: Ching, you're next.

Ching Chiao: Yes, (David), just a quick remark. I see on the agenda Item Number 3 and Number 5 there, there are some of the overlapping IDN items on that. I will suggest, as I don't see Edmon and Cary here. So maybe we sort of combine all the IDN subjects to Item Number 5, so.

Cary Karp: Excuse me. Cary's on the remote and they're...

Ching Chiao: Oh, okay.

((Crosstalk))

Man: ...(well).

Ching Chiao: All right.

David Maher: You say Item Number 5. So we can...

((Crosstalk))

David Maher: ...Roman Numeral III because that's consumer trust.

Ching Chiao: Oh, I'm seeing that on the agenda, Number 3 is the discussion on pending votes and there - they are example. Three B is IDN variant and 3D is the initial IDN TOD universal.

David Maher: Okay. I see.

Ching Chiao: So we combine that into like we can discuss that in...

David Maher: Yeah.

Ching Chiao: ...Number 5 for the - okay.

David Maher: Thanks.

Ching Chiao: Okay.

David Maher: And there is one other item that I neglected to mention and that's Jon Nevett's proposal for an observer interest group, which we'll put in the Roman Numeral VIII.

Coordinator: Hello. This is operator. Sorry for the inconvenience. Seems that the speaker line dropped. I'll try to reconnect very shortly. Thank you.

Ching Chiao: Point eight million U.S. dollar for the - to implement our - to fulfill what's
                 ever indicated in the VIP report. So various cost structures, cost estimates
                 being posted in this specialty project (fund). So that's - I only see Edmon and
                 perhaps Chuck also can help elaborate on that.

                 So we are from - I think - what Chuck has said that we might have to ask for
                 extensions since this could lead to a significant amount of expenditure for the
                 actual work but potentially how the IDN applicant can really be benefit and
                 timely be benefit from their work. So that's my take so far. I'm sure Chuck or
                 others may have some inputs on that.

Cary Karp: This is Cary. Is the audio feed into the room working?

Chuck Gomes: Thanks Ching. I think there are two and correct me if I'm wrong on this
                 Ching. There are two documents that are involved here. One of them is the
                 consolidated IDN variant report that was - where all of the six study groups -
                 and we had people involved in - several of us had people involved in those
                 IDN variant case studies.

                 There's a consolidated report on that that's actually quite thorough and quite
                 well done. Not necessarily an easy read I will tell you but well done. And then
                 there's also this proposed way forward that Ching is referring to and that
                 Edmon has made some suggestions on the list.

                 That's the one that I think the comments are due real quickly here. And
                 frankly, I'm one of those that missed that one. So I know there's at least one
                 person that hasn't read that.

                 And that's why I suggested maybe we want to request a little extension there
                 to look at that and Edmon has raised the issue as most of you saw on the list

that he's wondering whether 2.8 million a little excessive for that. I have no idea. I think because I haven't read it but that's why an extension might be helpful for us there so we can look at it in more detail.

David Maher: Is it - do you know whether or not an extension has been granted? I heard that there was some possibility that it - Chuck.

Chuck Gomes: I'm looking David.

David Maher: Okay.

Chuck Gomes: I don't know.

Ching Chiao: (David), also a quick comment is that as this VIP report is actually derived from a Board resolution to create this IDN VIP and the working group. So we're - actually we plan if the group agrees that we first ask for the extension for the work through that public comment channel.

Also we perhaps, you know, we sent a note potentially from you or from Keith to also to the Board saying that the registry takes seriously would like extend request for more time and to - actually to study what's ever on the table.

Cary Karp: This is Cary making a third attempt at being heard. Is this line open?

David Maher: Anything else on IDNs?

Woman: (Unintelligible).

David Maher: Yeah. Yeah. Okay. The next item is the Whois Policy Review Team draft report also due 18 March. Keith, you...

Jonathan Robinson: (David) and Keith, I'm sorry to interrupt. I - it's Jonathon Robinson for the record. I have to step away. I've got no option but to step away in 20 minutes time. And I volunteer as the scribe for the consumer trust. I'm wondering if we couldn't bring that forward and discuss it. It's just a couple of items ahead. Or after this one if necessary, that'd be great please.

David Maher: Go ahead Jonathan.

Jonathan Robinson: I guess the key point here is that we have to - there is a fairly comprehensive draft out there already. Chuck has put something to the list. That would be - I mean I can build up something on the back of what Chuck's written as our comments.

But it would be really great to get some more input if anyone has had the opportunity to do so. Or alternatively to come to the session tomorrow and try and, you know, formulate some thoughts if you haven't had the chance to read it. I realize there's a lot of work going on at the moment but that may be a more effective way of doing it if anyone's got an interest in that.

I mean these are the metrics by which the whole TLD program will be measured or the proposed draft metrics. So it's pretty important stuff as to whether or not this is a success in the future. So it would be great to get some additional input other than that which Chuck has put to the list. So that's really the main point from my point of view.

David Maher: Thank you. Any other comments on that? Okay then. Back to you Keith.

Keith Drazek: Okay. Thank you (David). And just one additional housekeeping note. It's been observed in this meeting room and in some of the other meeting rooms that you guys really need to speak closely to the microphone to be heard - to be heard well. So if everybody could just sort of pull your mics towards you and maybe we can avoid having to jump in and ask for speaking a little bit more loudly.

Okay. So the Whois Review Team final report. There have been some draft comments circulating on the list for the last week and a half I think. We had a small drafting team of myself, Jeff and Don Blumenthal. And we've had further input from Carolyn, (David) and few others.

So I would urge everybody to take a look at the latest version. I don't think we need to call for a vote on this today because there's been some recent updates. But the deadline for comment is the 18th. So there's a bit of a quick turn on it once we leave the meeting.

I would like if possible to have something out by the end of this week for the review team rather than leaving it to go and, you know, all the way to the 18th. But so again, just urge everybody to please take a look at that.

I think there's one particular topic that's worthy of sort of a little bit more focus of discussion and that's the question of rather we really want to try to urge sort of equal treatment for gTLDs and ccTLDs. It potentially opens up or sets a precedent that we might like down the road when it comes to Whois policies and even other policies.

But why don't I open it up right now for some conversation if anybody has any thoughts on this or any other topic related to the Whois Review Team's final report. Jeff.

Jeff Neuman: Yeah. Thanks Keith. And I (guess it's) an important point. We got a definitive answer as to the Council had met with the Whois Review Team this weekend. And it was very clear that Whois Review Team was only at gTLDs. That there was - there's no intent to pass these recommendations onto the ccTLDs.

And I think, you know, that is an issue we need to think about, right. Where all of a sudden you have a Whois Review Team that's only looking at the gTLD space and let's face it, there are some competitive issues there, right. It's not a surprise to anyone that gTLDs compete with the ccTLDs on a number of circumstances.

And to the extent that they're talking about Whois verification mechanisms or other types of things that are going to make these services more expensive for us to provide, you know, there's not difference between a rationale that they're using to beef up Whois with the gTLDs as there are the ccTLD side.

So I know it may set a precedent but maybe I'll ask the question back. Why are we concerned about that? Historically the regulations, if you will, on the Cs have been much lighter than on the Gs. So is there any negative consequence to that?

Keith Drazek: Thanks Jeff. It's a good question and it's sort of one of the reasons I wanted to make sure we had the opportunity to talk through this. I think that the one concern that I have, and I'd certainly welcome other people's thoughts on it, is that there are in fact ccTLD operators that operate a much more strict validation or verification scheme than what currently exists in the G space.

So, you know, to the extent that we want to start trying to incorporate the ccTLD operators in, you know, whatever Whois recommendations may be coming out of the final report.

I think we might want to be a little bit cautious to make sure that that doesn't potentially backfire on us where somebody might say well, you know, if you really want to include the ccTLDs, maybe we ought to consider some of these more what I would (unintelligible) draconian measures, validation and verification or strict measures is maybe a better word. But, you know, again, I certainly welcome others thoughts on this.

David Maher: I'll step in here. This is (David). It seems to me it may be futile to try to impose regulations on the ccTLDs. Some of them have signed what are in effect non-binding agreements to cooperate with ICANN but many of them have not. They're simply not subject to ICANN's whatever kind of power - contract power ICANN may have because they don't have contracts with ICANN. They're in the (rule) but that's different.

Jeff Neuman: I don't disagree that ICANN may not have the ability to enforce it but shouldn't stop us from making the statement. And in fact if we want to deliver a message to the GAC, I mean in theory, you know, we could say that this is a concern of ours.

And if we're going to be - if the Gs are going to be asked to rise up to a minimum standard, then we should encourage the GAC to encourage their own ccTLDs to rise up to that same minimum standard so that we're - you know, this is one Internet, one world, right. Isn't that the thing of ICANN? Or is it one world, one Internet, whatever it is.

Either way, you know I don't think it hurts us to basically say that if we're going to raise the bar for Gs, we should raise the bar for Cs. And whether ICANN can or can't enforce it is a whole other question.

Chuck Gomes: Chuck Gomes. I agree with Jeff that - you're right. We can't - ICANN doesn't have any means of enforcing it with ccTLDs. In fact I think it's a real stretch to even say most of them have contracts with ICANN. It's a far cry from anything we'd call a contract.

But that's another issue. But I think it is worthwhile to make the point that there is competition between ccTLDs and gTLDS. And so it does create an un-level playing field for that. And we at least need to make that statement I believe.

Ching Chiao: A quick comment. Also echo what Jeff has said. But yes but we also can look into those who have contract with ICANN, those ccTLD who already have contract in place or for some they have already sign up for what they call the accountability framework. Whatever those clause or the agreement would contain under Whois provisioning or actually requirement. I mean we can - I mean just a suggestion we can perhaps to just to start from there.

David Maher: Okay. Thank you. Go ahead Jon.

Jonathan Robinson: It's Jonathan. I think I'm largely speaking in support of the last three speakers. But I'm with that and it's clear to me that the vehicle by which some of this pressure is coming to conform is via the GAC.

And certainly while not wishing to suggest that we make the GAC exert pressure, it's worth raising the issue and communicating it out in that way and

making sure, as Jeff said, that the GAC is aware that this does create more of a level playing field if everyone is operating on similar terms.

I also suppose the other thing that hasn't been said in a sense is that it's very likely it seems to me that ccTLD operators may well become gTLD operators in the not too distant future. You know, those that have been only running ccTLDs today may well become gTLD operators.

So increasingly it begs the question as to, you know, why the difference in terms of key compliance issues which have law enforcement and indications?

David Maher: Keith, go ahead.

Keith Drazek: Yeah. Okay. Thanks everybody. I've just re-circulated the final or the most recent latest draft that has some of (David)'s edits and all the other comments I think incorporated. So if everybody could make sure that they take a look at that. And, like I said, I'd like to be able to have (Sherry) call a vote this week. Chuck, go ahead.

Chuck Gomes: Thanks Keith. The- you just - I haven't looked at it in a while. I'll look at the latest one you sent. But how do we address the cc issue in that. Could you call that to our attention right now? Is that easy to do?

Keith Drazek: Chuck, I'll pull it up here. Give me a second.

Chuck Gomes: Sure.

Keith Drazek: So I can be specific.

David Maher: Well while Keith is looking for that, there's another thing that I believe is not on the agenda that there has been circulated a brief statement in support of the IRTP. (Sherry) has that been circulated? Do you know?

(Cherie Stubbs):   (Unintelligible).

David Maher: Oh, okay. Are there any comments on that? Or could we call for a vote? Carolyn, go ahead.

Carolyn Hoover: David, could you identify when the last one was, what date that went out so I can make sure I'm looking at the right thing?

David Maher: I'll do that.

Keith Drazek: Okay. This is Keith again. Back to the Whois Review Team final report. Chuck, in response to your question about where do we address the ccTLD issue. In the general statements on the first page this is the clause of the bullet point that we've got.

                  It says the registry stakeholder group also requests that the Whois Review Team clarify in its final report whether the scope of its review and recommendations is limited to the gTLDs including sponsored TLDs under contract with ICANN or whether it also includes ccTLDs.

                  To the extent possible, we believe that any future Whois policy should be applied consistently across all TLDs both gTLD and ccTLD. I guess the question before us is whether we're all comfortable with that?

Chuck Gomes: Yeah. Yeah, this is Chuck. Well I think we need to change the first part because we now know the answer, right, from this - from the last few days of

meetings. And then I would suggest that it just be modified a little bit. The last part I think is getting at what we're getting at.

But maybe talk just a little bit about if the group's support of it of the fact that there is competition between the two and some of the proposals that are being suggested can be quite expensive. So the fact of a level playing field is an important point to make on this. So that's what I would suggest, so.

Keith Drazek: Okay. Thanks Chuck. I will - I guess one further point is that to the extent that accurate available Whois and a Whois policy is designed to sort of protect registrants and, you know, provide consumer confidence in all of the things that, you know, that Whois is supposed to do particularly in the views of the GAC is that it makes sense to point out that if you're going to clean up one space, you're going to, you know, add policies in one space to try to clean things up then the bad actors are just going to go elsewhere.

And it's reasonable to assume that, you know, that's not what we want to do. We want to clean it all up to the extent possible. So I will take a crack at putting in what we've just discussed here in writing and re-circulate. But I would ask people don't necessary wait for that to take an opportunity to look through what's already there because would really like to get everybody's comments if you have any. If not, that's fine also. Okay. Thanks. (David).

David Maher: Thank you. This is (David) again. I think we'll leave the IRTP vote to the email process. It's not due until the 25th of March. So we do have some time on that.

(Cherie Stubbs): This is (Sherry). I've been having some technical challenges with leaving Adobe Connect up because I'm not able to go to any other screen and do some

work I need to do concurrent with the meeting. So they're attempting to get a presenter (to do it for us).

Cary Karp: This is Cary. Can anybody hear us remote participants?

(Cherie Stubbs): Yes. Yes Cary.

Cary Karp: Okay. Because the lines have been falling and I was shouting at the top of my lungs when we were talking about IDN and obviously not getting through. And a large part of that discussion was absolutely silent outbound. And where is the Adobe Connect?

(Cherie Stubbs): You just need to log into Adobe Connect as you normally do in our teleconference.

Cary Karp: But there is no link obvious. The remote participation information about this meeting posted on the conference site contains no remote access there whatsoever.

Chuck Gomes: Cary, this is Chuck. What I did is I just went back to our meeting on the 29th...

Cary Karp: Okay.

Chuck Gomes: ...(unintelligible). That Adobe link, that works fine.

Cary Karp: Okay. But just a little heads up. I mean there are likely to be a number of people feeling enormously frustrated by this as I certainly am.

(Cherie Stubbs): (Like that) Cary.

Cary Karp: I'll backtrack.

(Cherie Stubbs):   All right. And just so you know, there was a - connectivity was lost and it has

                    since been restored. But that's why you couldn't be heard.

Cary Karp: Okay.

Jeff Neuman: Can I ask a question? Why don't we have Adobe link published? I mean why

                    do we care if it's being streamed?

David Maher: I just think it's not been our past practice.

Jeff Neuman: All the meetings at ICANN are streamed now. I mean I think we should be

                    doing that. It's my opinion but I don't see any reason. We obviously have the

                    public here. If they want to come in, they can observe. I think we should put

                    up our link and - maybe not (totally) used for our normal meetings but we

                    should have a link so that people can participate like they do for the other

                    meetings.

David Maher: Any other comment on that? I think we probably can't do much for this

                    meeting but we'll certainly take care of it in future meetings. I believe I saw

                    John Jeffrey come in and Kurt. Welcome. You're actually next on the agendas

                    so we're happy to have you.

(Cherie Stubbs):   (David), I'm going to log off (unintelligible)...

David Maher: Okay.

(Cherie Stubbs):   ...agenda posting.

David Maher: Okay. This is (David). Kurt Pritz and John Jeffrey have joined us for the item on the agenda that I have as Roman Numeral IV. And the refresher recollection on that, there are four items. So one is the question confusingly similar strings.

The second is bundling of IDN versions of new and existing top-level domains. Third is vertical integration, which I think we probably can handle very quickly and then finally Number 4, the trademark clearinghouse. Turn it over to you Kurt if that's agreeable.

Kurt Pritz: Hi everyone. Thanks for having us again at your meeting and taking the time for this discussion. I really - well I have the agenda here that I wrote but it's because I copied it down from the list on my computer and I'd really - I think we want to hear the, you know, what's the paragraph under string confusion and bundling so that we can respond properly because we can wax eloquent about string confusion but I want to understand with some specificity what the questions are.

If anybody on the - in the stakeholder group could elaborate and then, you know, John and I have done some homework there.

John Jeffrey: Yeah. Actually this one thing then so just out of curiosity because I heard a little bigger discussion as we were walking. Is this an open session, closed session? What's the - what are the rules?

David Maher: This is open.

John Jeffrey: Thank you.

Jeff Neuman: Yeah. It's just open. We just didn't post a link to the Adobe room.

John Jeffrey: Great. I just want to - of course we're going to be very careful about answers that we might provide on new gTLDs and that whole thing. I just wanted to make sure we had this open and on the record so we weren't creating a situation for you or...

David Maher: Okay. Thanks. Well go ahead Chuck.

Chuck Gomes: Chuck Gomes. I'll start it off Kurt. As you'll recall and probably Edmon should jump in here as well because he was the one I think that raised this issue many times over the past, I don't know, year or year and a half or something with regard to the Recommendation 2 of the GNSO Council recommendations. The one related to string similarity confusion.

                 And the point was that in very simple terms that two strings can be similar but not confusing depending on the way they're offered. I think you'll recall that was brought up many times. It baffled me why there was never any response to that but that's beside the point now. We're again raising it in that regard.

                 As you well know as well as anybody the intent of the GNSO with regard to the recommendations that were approved, was to avoid confusion. But if there's no confusion, a similar string shouldn't be eliminated.

                 Now the way the process works right now the first thing that happens with regard to strings confusion in the evaluation process, and again, you know this better than I do, is that there's a visual similarity check. And I'll get personal with regard to VeriSign, okay.

If we apply for a Cyrillic version of .com, it's .kom. My guess is that will fail. And yet I can assure you that we're offering it in a manner that will create no confusion at all. So I think it would be a shame and it would go against what the intent of the GNSO was if that happens. Edmon, you want to add to that because you really carried the ball on this argument for quite a while?

Edmon Chung: Thank you Chuck. And this is Edmon. Not really much to add. I think that's, you know, the crux of the issue and I think we've raised the issue since Cairo meeting. And I think the recent discussion is (brought) by the update to the IDN ccTLD Fast Track how this particular issue has been enhanced. And I think it, you know, it seems like it's a reasonable handling in the IDN ccTLD Fast Track. So perhaps the new gTLD process could learn from that.

Chuck Gomes: And Chuck again. Just to add to that, you know this as well. The Board passed a motion for the Fast Track to provide for a possible exception in those cases. And really that's all that I think has been suggested all the way. I think Edmon what you proposed all along was some sort of an exception process or extended review or something like that.

To deal with those kind of cases so that we don't inadvertently go against the main intent of the Council with that recommendation, that was to avoid confusion.

Jeff Smith: This is Jeff Smith with Commercial Connect. I'm just wondering if - I've been doing this for about 12 years so I know where this started when we were talking about confusion. But can someone just kind of update us because I've gotten like five or six conflicting things about what is confusion. Are we talking about sounding, looking, interpreting? What is considered confusing at this stage? Can someone kind of clarify that a little?

Chuck Gomes: Thanks. I'll take a crack at that. And for those that don't know, I was one of the registry people that was on the whole PDP and so forth so have a very good history but I welcome anybody to correct anything I say that's not correct. And really Kurt is probably - Kurt can correct me because this really is now a guidebook issue.

What happens first is a visual similarity check that happens. And there is an algorithm that we use although that's not definitive. There's a panel that will look for string - the high probability of confusion - of user confusion.

In the dispute process though - so there's a visual similarity check there. In the dispute process existing registries and new applicants can file a dispute for - against a string that they think is confusingly similar with a much broader definition.

Visual, semantic, sound, all of those things come into play and that was in the GNSO recommendations and staff did implement that in the guidebook. So in the dispute process the definition of similarity is much broader than just visual. Does that help?

Jeff Smith: Yeah. I mean, you know, this is for our purposes but, you know, like for instance the .shop, the .buy, the .store, you know, in one certain language they all could mean the same thing but they could be used for different purposes. So are those ones that are potential up for confusing strings or are they not or would it be dependent on what the application says?

David Maher: I think we're getting a little off topic here. We have to assume that if you're a member of this group you're familiar with the applicant guidebook issues. And we really do have a question that's being posed to Kurt and John who are here for a limited period. So I'd appreciate their comments.

Kurt Pritz: So what's your proposal at this point given that, you know, the guidebook's approved? If you're suggesting a change, so I'm (going to say) a couple things. You know, how would you propose it and then what would be the mechanism for a change in the guidebook at this stage of the game?

And what we raised in those discussions and our concern was that registries, since you personalized it, since on - if one registry had two - on two similar names if that was one set of circumstances where confusing names were delegated, what would be the rules for ensuring that at the TLD zone those two TLDs were operated in a way that ensured avoiding customer confusion?

I think that for some registries there's not a concern and I think that it can be inferred form the previous Board resolution that they thought that those TLDs would operate those in a way that avoided confusion. Whether that's valid or not, I'm not going to judge.

But for gTLDs we'd want to ensure that some players -- thanks Keith. I don't know if anybody wants to hear this anyway -- that some players would - might operate them in a way that would take advantage of confusion.

And the concerns we voiced was that we needed to develop I think, you know, at a community level those safeguards that could be inserted into registry agreements to ensure that if multiple TLDs were delegate - well if somehow similar TLDs were delegated that they would - we could ensure and enforce a way to make sure they weren't operated in a way that was abusive.

Chuck Gomes: Okay. Chuck again. No, very valid questions. And I think the cc - that the motion passed by the Board for ccs was a starting point because there's

involves - the same registry operator is operating both so there's a way of limiting the confusion.

Also the objectives or excuse me, the criteria for evaluating string confusion for the regular process - the dispute process would apply here as well. So you kind of have that in place already.

It could be done through - an extended review could be requested. And then again you already through the dispute processes have processes in place to do that.

The key is at some point to do this and meet the GNSO recommendations is to look just beyond - you got to look a little bit beyond the strings because just because two strings are similar doesn't automatically mean there will be a probability of confusion, which is the guidebook criterion, right.

So in the extended evaluation if that was the easiest way to go or then it would - you would look a little bit further. And the panel that's looking at that could do that. I mean it's - we have processes in the guidebook already for doing that. Does that make sense? Does that help answer your question? Somebody else jump in if you have some thoughts.

Man: Yeah. I guess to some extent I'm looking for clarity behind the intent. In discussion this once long ago with someone else they - and I will use your example Chuck. Okay.

It's quite clear that if VeriSign applied for the Cyrillic equivalent of the .kom, okay, that they would operate for the benefit of both the names, okay. But what the person told me was their concern was that you had two separate contracts; one for .com C-O-M, one for .kom K-O-M.

And that at some point in time in the future there's a possibility that the contracts could go out in a way where the same entities were not operating both spaces, the same registry for the same benefit. Their concern was that at that point in time you could have a situation where A, you could have this conflict arising because there would not necessarily be the same motivation.

To me that's somewhat far fetched given the lengths of the terms of the contract and I think the value in the space would be in maintaining the compatibility as opposed to going the other direction. So I'm just giving you that.

John Jeffrey: So I think this is a great example of process issue for us, right, because we're right in the middle of the application phase. So it would seem to me - I'm just going to propose an idea, which is if the constituency or the stakeholder group - I'm using old terminology here.

If the stakeholder group wanted to pose a question and put that out in the process, that's something that we could endeavor to be very clear on. So something like what you just said where it's clarifying does this mean - is there something that we can clarify from the guidebook that would make it more clear.

I think that would be a great thing for us not to answer here on the fly but to answer in a formal response so that it's made part of the process. And I think that's the most fair way to make sure that the people that aren't in this room also get the benefit of that clarification.

Chuck Gomes: Chuck again. Thanks John. I don't think it's a clarity issue. The guidebook is clear right now that three will be this visual similarity review. And so a name

could actually - a string could actually be eliminated even there's no - there's no confusion. Okay. So I don't think it's a clarity issue.

Secondly, I'm a little bit bothered...

John Jeffrey: (Just to answer) that real quick. I was responding to the exact comment from the person to your left...

Chuck Gomes: Oh, okay.

John Jeffrey: ...where he said I just wanted to - it's a clarifying point.

Chuck Gomes: Okay.

John Jeffrey: And if it is a clarifying point, I think that's exactly the kind of thing we'd want as a question...

Chuck Gomes: Okay. Got you. Okay.

John Jeffrey: ...that we can clarify in the guidebook. If you're asking for a change to the guidebook, I mean that's exactly where Kurt's going. How do we - how do we take that input and make sure that that's also communicated on a fair basis and the decisions made about that if that's a requirement.

Chuck Gomes: Okay. All right. Thanks. And again, this may not apply now. But as far as process goes, this was raised many times a long time ago and it was never solved. And suggestions were made with regard to how to do that. So and I don't think you're - now that you've clarified that, I don't think you're asking us to go back and redo that all over again. So this is not being raised at the last minute.

David Maher: Are you suggesting John and Kurt that this group should file some kind of a
                 comment or ask a formal question with a suggestion for amendment of the
                 applicant guidebook?

John Jeffrey: I think if this is a concern that this group has and you're asking for either a
                 clarification of it or a change to the guidebook, then I would want to do that
                 very formally so that we're making a clear record on it.

Chuck Gomes: Chuck again. And I think we have that just about ready to go. Do we not
                 Edmon? The comment that we made a few edits to it. You initiated it. And
                 several of us made some edits. And I think that's just a matter of getting
                 approval of the stakeholder group and forwarding it on. Is that correct?

Edmon Chung: Edmon here. I think so but I guess I'd like to get a - some - a little bit more,
                 you know, exactly what is needed from us because what we are doing - what
                 we - what the letter - the current draft of letter just reiterates, you know,
                 basically reiterates most of the things that have been said before and in light of
                 the new development in the IDN ccTLD Fast Track.

                 I don't see really a need for new stuff but if you - if John or Kurt feels that
                 there is, you know, some new elements that we need to work on, then I'd like
                 to hear that.

John Jeffrey: Yes. So I'm certainly not advising you to file a request for a change to the
                 guidebook. You know, my druthers would be we've got the guidebook. Let's
                 use what we've got.

                 If there is a required change in order for a clarification or you think there's a
                 necessary rule change because something hasn't been deal with, my request is

let's handle it very formally, very openly and make sure we're not just having a discussion in this room but we're putting it out on the record and being very clear about the path.

Right. Because what I don't want to do is have a conversation like this become a confusing conversation where you got to go back and read the stakeholder group's conversations in order to figure out how to fill out your application.

Chuck Gomes: This is Chuck again. And (David), I think that's fair. But what I would suggest is that we expedite that statement. It's already out there on the list but that we expedite maybe this afternoon or something we can refocus on that and not take John and Kurt's time further on this and get that, you know, the stakeholder group support or lack thereof on this right away.

David Maher: Good idea. Okay. Shall we move on then to the second item on the list, the bundling of IDN versions, which Edmon, do you - or Ching, I'm not sure who is more familiar with that. This - on the agenda item for Number 2, bundling of IDN versions of new and existing TLDs. Or Cary if...

Cary Karp: Yeah. I could make a peripheral comment here and that's during the course of the VIP work or at least the work that preceded the drafting of the integrated report. The word bundling was just deprecated. Bundling means too many confusing things to too many different people. And under the assumption that work is going to support the policies that might steer what it is that bundling refers to here, I think we have to find a preciser word.

And that the notion of the automatic allocation of a second string or a third string to an initial string has to be associated with some - I think it's actually called label generating mechanism and it's one of the agenda items for the forward-looking work.

And I'm not sure we really know what it is that we want to have reflected in that discussion. But we probably do have to converge on some kind of a clear idea. But the word bundling as I said is not going to be well listened to in that - in the other facet of the discussion. I'm sure that's exactly what you didn't want me to say but you asked.

Jeff Neuman: Yeah. I have a separate question and it's related to translation issue that we asked in Dakar I believe. I think that's where we were last, right. We asked a question whether a translation or a transliteration of a TLD was itself confusingly similar just as a kind of a per se rule.

The reason we asked the question was, and I'll use NeuStar as an example, which is probably not a realistic one but I'll just say it anyway because it's better to pick on me than it is another registry here.

So let's say I have this wild idea, which I don't for the record, but let's say I did that every translation for the word business was in my mind confusingly similar. And whether it came out on the string confusion or not I decided I was going to file an objection to every single translation I saw on there, which again I'm not.

But if I did, and there may be other registries here that may be planning to do that. Because we don't have a per se rule, what's going to happen is they have to file all the objections at the same time, which means I believe, and you could correct me if I'm wrong, they have to pay all the objection fees at the same time.

All of the strings will go to a panel as the objections normally do. And the problem is now you've paid all your fees, you could have the first panel come

out and make a decision like a per se rule that no, by definition the translation alone is not confusingly similar.

Now I...

Cary Karp: Excuse me Jeff.

Jeff Neuman: ...say there were different translations of business, I've wasted now nine additional fees and I can't get a refund of that after the first decision came out. (Unintelligible) asked at the Dakar meeting whether you all could talk to WIPO -- I think it's WIPO that's doing those disputes -- to get a per se rule so you can put that guidance on the table so that people know before they actually spend the money to file objections as to whether there is a per se rule or not.

And I don't know if you had ever - have been able to address that with WIPO or not.

Cary Karp: Can Cary comment on this?

David Maher: Go ahead Cary.

Cary Karp: Jeff since you mentioned both translation and transliteration, there's a potential vast difference between the two. Transliteration means by definition that you're going into another script. Translation doesn't have any such connotation.

And the approach being made, what are called cross script confusability and the whole script confusability are - those are two separate discussions. So

whatever it is that you're wondering about is at least twice as intricate as what you think.

Jeff Neuman: Right. I think both of them are - they're separate and both of them could use a per se guidance rule on.

Cary Karp: Well I - but one of the things that I think is direly important at this point is for registries that certainly are beset by this concern to articulate very clearly what it is that they regard as the problem or if there are multiple problems what those problems are because the discussion thus far on the okay what are we going to do about this side has been chronically beset by some question about what the - what problem it is that's actually under discussion.

                So if we're going to do something genuinely useful, it might be to make an absolutely unequivocal statement of what the problem is avoiding the use of the word bundling. That's just been stripped of any useful semantics.

Kurt Pritz: I'm going to repeat back, sorry. So to me it's - it could be a broader issue than bundling. It could - it's a dispute resolution issue and if one dispute resolution process sets a precedent that obviates the need for other dispute resolution processes and the fee has been deposited across them and there's no action, then what can happen? Is that...

Jeff Neuman: Yeah. I think that's it. If the fee has been deposited and the one - the first case sets the precedent for all the future ones, I mean I would think that at that point in time you'd offer the person that filed the dispute if it's the exact same, offer them all their money back I guess would be the...

Chuck Gomes: Part of I think what triggered (that) Jeff is there's an attempt to deal with that I think in the guidebook with regard to the combining of disputes. One of the

concerns there that's strictly optional on the part of the dispute resolution provider. So if they don't decide to combine them, then you have this problem.

One of the recommendations that came in on the comment periods was the idea of making it, you know, you know, combining them in a reasonable manner because if it's not, you get situations like Jeff's describing.

But I agree with you that this is kind of separate from the topic of bundling. And I can tell you right upfront we weren't the ones that suggested the topic of bundling for this. But I will give a little recent history in this that you're aware of too.

Issue of bundling I think primarily related to the idea of serving -underserved language communities. The only way they would get served really because it's just there's no business case for adding a very small language community, for example, an existing TLD or even a new TLD. It just doesn't make sense to pay $185,000 plus. And it'd take you, you know, you may never get it back.

But if there was bundling, it was - that would have served that. To me, this is Chuck Gomes speaking personally on this. I don't know that that's alive now at this stage of the game. So I guess if I would have paid closer to the agenda, I would have questioned whether we wanted the topic of bundling on the agenda. You concern Jeff is a different one that I think is of - is certainly worth further consideration.

Man: Thank you. And I know that there was a similar issue that was raised about how the loser pays mechanism works. And that even the winner had to pay filing fees. And I know (Amy) did some work on that. And even though you pass everything by, as you well know Kurt, I don't remember the answer to this one.

But, you know, I'd want to check with John but I think we should work with the - I think and this is my personal opinion, continuing to work with the dispute resolution providers to create processes to ensure that claims are processed in a most economical way without breakage or waste is important to the process and that a perception is not raised that it can result in large fees to dispute resolution providers without doing a lot of work.

On the other hand, they have to recover their costs whatever they are but perhaps by working with them to prioritize the way they do work that can be explored. So I got the issue and we'll pass it on and work on that.

David Maher: Unless there are other comments on that, we can move along. The third item is vertical integration. And as I assume you all know the Board answered the question posed by the group. Are there any questions to Kurt or John? Go ahead Jeff.

Jeff Neuman: Yes. Well I like the answer. Sounds good. And it says that -- at the end of it -- it says, "It seems that the process that was adopted on June 20, 2011 with respect to new gTLD and existing TLDs not operated by the Registry can't be amended to provide a process basically to allow you to be able sell in your own TLD." I think that's good, but the question I just have is when do we expect to be developed, or just amended? It seems like a simple amendment and so the sooner we can do that the better.

Kurt Pritz: ...letters really written late at night, so - but I'm pretty sure it describes that we have one additional communication with a competition authority that needs to be closed out and so we're going to do that. But it's - we think it's not a, you know, that we take it to a close-out type of communication and then it's amending the process and going through approval. So we want to under

promise and over deliver on the date. I agree with your characterization of what the - which form the amendment would take.

David Maher: Thanks Kurt. Anyone else on that? Okay then, we can move to the trademark Clearinghouse and I think the issue there is that we understand the selection has been made, although not publicly announced, and I think the concern is the idea that there will be a single database that's going to be incredibly burdened by the number of inquiries. Does anyone want to add to that? Go ahead.

Man: I got a feeling (unintelligible) I'm somewhat concerned we need to have some solid assurances that whoever the Clearinghouse, whoever the awardee is, has had significant experience with dealing with (EPP) and with the - because there's going to be serious burdens. And I think I'm going to, at this point in time, defer to Jeff as I think he did an excellent job of explaining some of the issues that do come up. So if you'd take it from there, I'd appreciate it.

Jeff Neuman: Yes, I think when the Board decided to add the 60-day IP claim process post launch, or third general registration, we added basically the requirements that this database needs to operate in real time. And so if there are 1,500 registries, presumably not all of them are launching at the same time, but you can still have several hundred that are all within that 60-day period at the same time.

You know, it creates a disaster if registrars are submitting registration requests to registries, and we have everything centralized at the Clearinghouse level, if that (unintelligible) goes down at all. Right, because I don't even think there's mechanisms at this point within EPP to deal with errors that are created by an authentication provider that stops a registration from going through.

I know there's been a lot of discussion, and I'm one of the members of this trade -- I forgot the abbreviation -- trademark assistants group (unintelligible). I know there's been heavy objections from the intellectual property attorneys on that about having decentralized copies go to the registrees, which would make it a lot easier for registrees to (unintelligible) its own databases as opposed to relying on (unintelligible) party and create that single point of failure. I'm worried that that option is going to be adopted by ICANN because of the fact that you have trademark owners' concern -- which is ironic that I have to point out the irony in a second -- but trademark (unintelligible) are concerned that every registry gets a full copy of the database that every registry has now and registrar in theory has a copy of the trademark owner's information.

The irony of course is they're also arguing for full, and complete, and accurate up-to-date Whois. But they don't care if that's disseminated around to everyone, but if it's their trademark information, that's got to be confidential -- even those are all in public databases. Sorry, I had to point out that irony

So my concern is if I can't get (unintelligible) completely centralized model, we're going to be in a lot of trouble if for whatever reason that Clearinghouse goes down and it's not able to take -- because during land rush, I mean anyone will tell you, any existing registry will tell you that our databases get slammed. Whether those registrations go through, we get slammed with millions and millions and millions of queries per minute. And so we need assurances that they're going to operate and we need (SLEs) and because these - the Clearinghouse may actually prevent revenue-generating transactions, penalties -- stiff credits and penalties paid out at a very minimum to ICANN but maybe even to the registrees, just like registrees pay credits out to registrars if there's any violation.

Man: With your permission, I'm going to take it back for just a second with a follow-up to what Jeff said. I mean the level of technology and the requirements for performance in this area are critical not only to the business models of all of the proposed new registrees, but to the reputation of ICANN. We cannot afford to have a situation like this. I strongly encourage a very robust stress test for that provider to ensure that you don't have it because, Jeff, you know as far as I do these new registrees are just going to get hammered, especially in the early days. And if they don't have the redundancy and if they're not robust, if they (unintelligible) from the volume, it's going to create a terrible problem for everybody and I just cannot reinforce how important it is to make sure that that's the situation. You know, we have no idea, we just need to know - you guys need to know how concerned we are.

            Now I've also had a discussion with registrars. They're very concerned because if they ping the registry and if there is a situation like that, sure they can stick the request into a queue but when that thing goes back up again, if they're not the first one in the queue, it may end up going under another name. Now they have a serious problem with their customers, and they're not going to be coming after us and raising hell with us. They're going to go back, because we're going to turn around and point at the (brucksis). So let's really keep that in mind. I appreciate it.

Edmon Chung: This is Edmon. I just want to, I guess, repeat what the importance, or the criticality, of the problems of having a centralized database for this and I'll state that at .Asia we supported a - an (unintelligible) good for the Trademark Clearinghouse and we suggested in the bid, you know, a - sort of a framework that would support multiple databases.

            And the other thing, you know, back to Jeff's point, I think it's, you know, it might seem like an irony but I did - we did talk to a lot of the trademark

people as well as the national trademark people and their concern is real. You distribute the database (unintelligible) registries? They look very much like a good contact list for me to send to market. But in our proposal, there is a possibility to utilize things like digital keys to be distributed to registries to allow for distribution to the registries without the registries knowing exactly what the data is until it's being submitted by the registrant.

So that is - there are ways to deal with it. I just want to bring it up, and there are different ways to deal with it and so the registries can have that data and not have to rely on a foreign database.

Ching Chiao: (Unintelligible) actually Jeff and Edmon make good points, I've - but...

David Maher: Can you get a little closer to the mic Ching?

Ching Chiao: Sorry. Yes, I will add in quickly two more points based on what Jeff and Edmon has actually mentioned. We have not heard officially from the GAC how their prospective jurisdiction will consider the treatment of the - what they're thinking of the trademark, sort of the ownership, is the trademark database. Their trademark database is being handled by a (foreign) third party (unintelligible) in the European Commission or well just even in the States.

What we have - actually Edmon has mentioned the National Jurisdiction (unintelligible) has not actually being (unintelligible) by various GAC members so I'm just a little bit worried if there could be potential show stopper for this ser - centralized services being introduced (when) the needing a - for the gTLD when they would require for - they require trademark clearing or the clearing services based on a (falling) centralized, I mean the agency.

(unintelligible) second big point is that because this Trademark Clearinghouse, or the services, if we put burden on the registry site, which means that if a model is that we sort of dump all the trademark information on this registry site, that is not the registry core function and we did not see anything at this point (for) in the Applicant Guidebook or the questions, or any answer, required the registry to do this, so you're - we will be seeing that the registry - if the model is being choosen to have the registry to response for a trademark clearing or some (unintelligible) services. I mean, there's got to be another round of discussion of registry services particular on the trademark issues.

Jeff Neuman: So Ching, are you talking about privacy issues and privacy laws? Or is it some other issue that would prevent the transfer of...

Ching Chiao: Part - part of is the privacy and also the jurisdiction - I mean of the ownership of it, particular sovereignty of nation towards to the trademark information.

Jeff Neuman: Yes, the one point I forgot to add and I think this hopefully an easy one is that (SLA) for performance specifications in specification (ten), I think those may need to be amended to exempt out any causes of delays or outages that are created by the Clearinghouse. Right?

So there are response times that registries or registrars, with respect to (EPP) transactions - to the extent that we have to put a third party in the middle that needs to be exempted out. Right? And I can't (unintelligible) measure that way. Normally, SLAs are measured - like in the old contract in the biz and com, we measured the transaction from the moment it hits our database to the moment it leaves our database.

The ICANN SLAs have changed that whole model to be from the moment someone checks from an ICANN probe to the moment it gets back to the ICANN probe and we all have been through this over and over again, but we still can't account for - we need exemptions for - if there's a middle man in the middle. Middle man in the middle, yes.

Kurt Pritz: (Unintelligible) so they took an economists' point of view, and I think no one's incented more than us to ensure that the Clearinghouse operates in the way it's been envisioned, and so the extent - you're concerned because your businesses depend upon it and it's a very real concern, and we understand that. We have the same heightened sense of urgency to ensure it succeeds.

So where we are in the process is we are in negotiation with one firm, whether that firm provides just validator services or provides validator and database services is still unknown. We are going to engage with other firms -- or at least through this firm with other firms -- and we certainly understand the importance of working with companies that have the wherewithal to do this and I hope, you know, we demonstrated that by contracting with Ernst & Young and PriceWaterhouseCoopers, and KPMG, and the University of College of London, and, you know, I apologize to other companies that I have left out that are extremely reputable and to me, you know, almost surprising and gratifying that they want to work with ICANN on this process. So we're looking at hiring a firm with the same level of expertise in what would be required to run this international database.

We're taking - so we're taking the (IAG) inputs and the results of those 13 plus phone conversations that, you know, again I thank everybody who participated. I think it's like a real success for the ICANN model to get 50 people on the phone and some of us in the middle of the night, or some of them in the middle of the night, and, you know, IT people and registrars and

registries who sometimes have big difference of opinion. We're just constructive about all the different issues.

So, that aside, we're - we're now integrating all of that into a straw man for how the Clearinghouse would operate and then the next step is with the engagement of a provider, you know there's rules that have to be built. So we'll have to bridge that gap and create the Clearinghouse.

So we'll look for it to continue collaboration on that to ensure that it's done in the right way. We surely get the implications of extending the IP claims window - the IP claims window for 60 days past the launch. As you know, that wasn't in the original - it wasn't in the original proposal and we want to work with you in a way that it doesn't interfere with your business models and satisfies the obligations we created.

I don't know, sometimes the timing of meetings are a little bit unfortunate a lot more information is going to come out in the next few weeks. I think we're posting that straw man by the end of the month - is our schedule for doing that, so you'll see that posted.

Ken Stubbs: Thanks Kurt. Do you have time for one more question? Different topic?

Kurt Pritz: Yes, we do.

Ken Stubbs: This question is in regards to the auction process. It's my understanding that if two - if a name goes into the auction process - and I'm going to take an example let's say (dot Widget Window) auction. Let's say the (dot widget) sold for $10 million. If the auction is over $10 million, there is a requirement that those funds have to be settled within so many days. Am I correct John? I

believe it's like 20 days after the auction is over. But there is a specific requirement for settlement...

((Crosstalk))

Ken Stubbs: ...trust your reading of the text. For the hell of it, that's the number. Okay. My concern very simply is this: that the settlement could occur prior to the actual contract for the name to go into the root. And should the possibility exist that there may be litigation that comes out of this, an awardee from the auction would be required - could be required to deposit the entire amount of the proceeds and it could be litigated for a significant period of time.

So what I would propose is that ICANN consider a process that's used quite often in many other auctions whereby upon awarding - I mean upon the finalization of the auction, a certain percent -- let's say 10 or 20% -- of the auction proceeds would be immediately deposited with the balance due prior to the signing of the contract and insertion into the root.

And I'll give examples and that is you could have a situation where let's say a number went - an auction went at a large number, and this request was presented to me by a lot of various proponents, people who are going to be filing. Suppose you were talking $25 million and suppose litigation went on for 18 or 24 months. The purpose for those funds was to ensure operation, but you've taken that working capital out of the use, you know, for a long period of time and no guarantee that there is a certain time that the period would run. So I guess from a practical standpoint, there needs to be some sort of (equity) error so we don't run into that situation.

If the contract is signed right away and it goes into the root, then the money is going to come - the balance of the funds would come in immediately. But

there is litigation, it doesn't take very long to anticipate a minimum time period - you understand what I'm saying?

(Bill): So I clearly understand the complexity of your question, and it's a good hypothetical. The problem I've got is we're in the middle of the bidding process and you're asking a question about how a specific thing would work under a certain condition.

Ken Stubbs: (Bill), what I'm really saying is this, it's very difficult to talk to you guys about it because what you say when you want to talk about it is really we need about this in the public...

((Crosstalk))

Ken Stubbs: ...for a modification of the draft Applicant Guidebook. Are you considering that to be an item that would require modification in the Guidebook? Or is that an implementation issue that can be dealt with in recommendations to staff for modifying an implementation? That's it.

(Bill): So I'm trying to answer you in the best possible way I can. But we are in an application process and your question relates to a strategy about how you would a certain phase of that, right? And asking for clarification around it.

So I'd put on you to - if you want a clarification of what's there, then we need to put that in a way that we can answer it and clarify it to everybody that's going to apply. If you're looking for a modification to the rules based on what you see, then I would suggest requesting a modification of the rules. But what I can't do is speculate on what the answer to that would be based on the question you raised. I think it could be a good question, but I just...

Ken Stubbs: I understand that, but the problem I'm saying is if we ask for clarification and all I get is a cut and paste from the draft Applicant Guidebook, then it's more a matter of saying, "Oh, read the Guide dummy." You know, but that's what I'm concerned about.

(Bill):   And I'm sure you face this in other bidding processes where you have to ask for clarifications in a certain way and we have to follow an open set of rules where everyone can...

Ken Stubbs: I understand.

(Bill):   It's just - I appreciate your question and I'm not saying you shouldn't ask it, it's helpful for me to hear it from you in this forum, but I think it's useful for us to put it into a formalized process so we're very clear to everybody. This question may be harder to answer but not - but not in the bidding process.

               A question I'm being asked by a lot of applicants and, you know, if this does go to auction and you get a lot of money from it, then where is the money going to go? What's the process for deciding where that money's going to go? When are we going to start the discussions within the community as to where that money is going to go? And what are the milestones because we don't have much time to decide that. So your input on that would be great.

Kurt Pritz: So I have a comment and then a suggestion. So the comment is that discussion about that now would be so highly speculative because we have no idea whether there's going to be $0 to $1 million more or less, and so that would involve community and staff work that would result in breakage and I'm keenly aware of volunteer burnout and mine. But I think we could do is configure how we're going to discuss it so we could set up the team, or representatives of the team, and how they're going to interact with ICANN so

that when there's some certain information then we'd have like a community-driven process in place to discuss how those funds will be used.

(Bill): I was going to answer it, go back. If I could for just a minute, we're going to go back to the question you were raising about the if you're filing 100 different objections within a process and one of them resolves it, what would you do? So that's something I think that's - we've been made conscious of.

There have been ongoing discussions with the dispute resolution providers to make sure they're either providing the grouping or providing opportunities for complaints if you, as applicants, don't believe that they're properly grouped. And so that's one of the issues. And then of course, subject to administration fees and other things that are actually spent, there would be an opportunity to cancel those and roll back to whatever hasn't been spent.

So that's the objective and there's been discussions from the legal staff with the dispute resolution providers to try to resolve that.

David Maher: Thank you Kurt and John. John, go ahead.

(John): Thanks David. I just want to follow up on Ken's point on - I just looked at the Guidebook. It's pretty clear that you have to pay in full within 20 days. So it would be a change in the Guidebook which I probably wouldn't support on behalf of, you know, my -- would not support -- on behalf of my company. But, you know, I don't think it's clarification because the language is pretty clear.

David Maher: Thanks.

Ken Stubbs: Thanks (John).

(John):   It depends a bit on the hypothetical though.

David Maher: Very well. We very much appreciate your taking the time again in the useful session. Thank you.

Group: Thank you.

David Maher: The next item on the agenda is the (IDNs) and I think Cherie was inadvertently excluded from the first go around, so the list under Roman numeral five is the VIP Project Single Character IDNs and Universal Acceptance. Cary, do you want to step in?

Cary Karp: This time I don't have anything to say. But I appreciate the fact that I'm being offered the opportunity, but I guess that leaves me speechless.

Keith Drazek: This is Keith, David had to step away for a moment so why don't we take this opportunity for a five-minute break and then reconvene here shortly -- you know, five to ten minutes tops -- and we'll get to the agenda.

Man: But we are going to get back to that?

Keith Drazek: We are, yes.

Man: Okay

Keith Drazek: Sorry, I just saw some hands being raised. Five minute warning, five minute warning. Okay, this is the one minute warning, one minute warning.

David Maher: If everyone can take their seats, we can get started.

Cherie Stubbs: Before getting started I just wanted to remind everyone to please state their name before making a comment. It really helps those that have called in to know who is commenting and against what issue. Thank you.

David Maher: The next agenda item are the IDN issues and the first one is the (VIP project). Cary, do you...

Cary Karp: I believe that the (little) meeting at the Costa Rica Conference is tomorrow, the current status of the report that already exists is going to be presented and the presentation of the what-happens-next plan will also be discussed - will also be made. So I think that any response that we're going to be making to either of these, either if there's a tight deadline, we'd probably be best informed of what is that tomorrow.

David Maher: And we're going to apply for an extension on the VIP comments.

Cary Karp: That actually might be something very worth doing from the floor at the session tomorrow, because if there's any reason why it shouldn't be permissible there'll be an immediate response.

David Maher: This is David. Otherwise the comments are due on the 18th.

Cary Karp: Yes, I'm aware of that. But what I'm suggesting is that we're going to be - if we're going to discuss this right now, we're going to be second guessing things that might clarify during the course of the presentation tomorrow -- today.

David Maher: Then we can move this single character IDNs - Edmon or Ching?

Edmon Chung: This is Edmon speaking. Yes, I'm happy to bring it up. I guess this is an issue that is being discussed at the (JIG) working group between the (CCNF) and GNSO and the latest is a report from SSAC on the issue. I think the recommendation - the findings, the - if you look deeper into it, the findings are quite similar to those off the GQ Report. The recommendations of course are a little bit different. The recommendations from the (miss) SSAC would be to - to debate (unintelligible) until some of the work has been done on the string similarity issue on IDN variance and on TLD syntax. I think the (gGOL) also identified at least the (picturing) similarity issue and the issue on IDN variance. We felt that those are issues that are not specific to single characters.

So there was a meeting - the (JIG) had a meeting yesterday and invited the participation from SSAC and they explained some of the issues behind their report. One particular item that became quite interesting is that in the SSAC findings they felt that the current algorithms and processes that are used for string similarity - for string similarity review and does not - does not work for single characters. However, the current Applicant Guide asks for two and three character TLDs to be checked against single character strings. So there is a potential issue with the deployment of the current Applicant Guidebook if the - in fact it's true that the current algorithms could not handle single characters.

So that's a rather interesting or, you know, I think it could become a critical issue for the new gTLD process if that is in case true. So that's sort of the update.

David Maher: Anything that we can or should do about it?

Edmon Chung: I think we should probably take a look at - I'd like to take a further look into what the Applicant Guidebook says and what - and probably take a deeper

look again. I have read it from - a many times in terms of SSAC (port) and really figure out what they're really saying especially on (Patrick's) point that there is currently no algorithm to handle single characters. If that is really the case, then we have a bigger problem. I don't know whether the staff might have any other (options and testing).

David Maher: Oh, go ahead Chuck.

Chuck Gomes: Thanks David. This is Chuck Gomes again. Edmon, if I - it was a good meeting yesterday and I got a little more clarity, but it seems to me that the only hope for the first round is if we could in very short order come up with some procedures that were acceptable for evaluating - maybe in just a few scripts or something like that - single characters. I don't think we're going to get the SSAC support unless - unless that problem is solved very quickly. Do you agree with that assessment?

Edmon Chung: This is Edmon again. Yes, I do agree and I think there are - I just want to make sure that those are two issues: one is in getting the single character ID nTLDs into the new gTLD process, and I do agree that at this point in time we would need very, very clear and not like - and also very - very clear (proc) as well as very clearly that is non - had no threat issues to put in this round, but I think we need to continue to work on the issue as (future out). That is one issue.

The other issue that I just brought up is the concern that is in this round which is - a couple of core, key issues that SSAC raised is that there is no clear definition of one single character, and there is no algorithm or process to compare single characters with, you know, with anything. And the current Applicant Guidebook asks for that. So that's - and if that is the case, then the

whole string similarity review might be in a bit of jeopardy I guess. So we might want to raise this issue to the attention of the implementation team.

David Maher: Adrian?

Adrian Kinderis: Thank you. Adrian Kinderis.

Chuck Gomes: Edmon, thank you for that clarification, it's really helpful.

Adrian Kinderis: Just one quick opinion from you if I can - I'm given someone that's been heavily involved in the single character work. What's your confidence level about getting through to the first round?

((Crosstalk))

Adrian Kinderis: More specifically, getting single character IDN through into the first round of the new gTLD?

Edmon Chung: Sorry, I probably missed the critical words just before that. What was the question?

Adrian Kinderis: It's my whacky Australian. What is your confidence level of getting single character IDNs included in the first round?

Edmon Chung: It's just an opinion.

Adrian Kinderis: And feel free not to provide it.

Edmon Chung: Very close to zero.

Chuck Gomes: Chuck once again. The - the problem here is Edmon, it seems to me, if we point out that if there's a problem with single character then we also have a problem with two and three character and I actually think you're probably right on that. But couldn't that significantly delay - it could significantly delay the IDNs at the top level in total?

Edmon Chung: This is Edmon again. I don't want to speculate on that. I guess that's the reason why I think it's an important question you raise to - to the staff or to the Board that, you know, this - the issue has surfaced. And maybe the simple clarification is that, you know, the current processes, the algorithms already could handle single characters. So, you know, the issue goes away.

                 Then we go back to take a look at the single character and how to make that work. Given those tools then you have a much clearer path for it.

Cary Karp: Can Cary speak please?

Chuck Gomes: Just one quick response to Adrian's question. I came to the same conclusion to near zero -- very near zero -- yesterday, disappointingly. But I'd love to be wrong on that one.

Cary Karp: This is Cary. Am I inaudible again?

Man: Go ahead.

Cary Karp: Okay, I just wanted to point out that there are already IDN TLDs so it's not a matter of problems laterally arising on the single character front disrupting what's already well underway. So any newly discovered complexity that we've - that has manifested itself with the single character issue, I think is going to stay there.

David Maher: Thanks, thanks Cary. We ought to move along. At 11:00 we're going to have a Compliance presentation that will last possibly an hour -- just reminding people we have a lot to do today.

The next item is Universal Acceptance of IDN TLDs. Any comments on that?

Edmon Chung: This is Edmon again. I guess we can be pretty quick on this. The (OS SU) already had put in a comment into the common period that's currently underway. So the next step is I guess the JIG will evaluate that - that makes sense, and then at that point we can probably provide comments again.

David Maher: Thanks. Anyone else?

David Maher: In that case we're ready to move to the GNSO heading. Jeff?

Jeff Neuman: Thank you. This is Jeff Neuman, so we'll just be going over the GNSO motions that are on the table and - sorry, I'm just trying to pull them up here, I believe there are four of them. Or maybe only three. One-two-three-four. There are four of them.

The first one is a motion on the initiation of a policy development process on 'thick' Whois. We've talked about this at great length over the last several months, including at the last meeting - I think was on the agenda when they - when it was just an issue to report. We actually -- just to remind you we -- abstained from the vote on the issue report for the reason that this group's feeling was to having (unintelligible) that's named at one registry or one registry operator to (unintelligible) against the whole nature of doing (AP DP)

I shall also point out that VeriSign - VeriSign itself is in favor -- or not opposed I should say -- of doing a PDP on 'Thick' Whois. For the rest of us -- with everything going on in the GNSO, with all the shoe reports, and PDPs, and workgroups, and everything else we thought it was a - not something we would be of favor - I don't want to say, "a waste of resources," but certainly, a "use of resources" that we just didn't have time for.

Since then it's off the tops from some other groups that they felt the same way. Also, for everyone's - it's not a surprise and I think everyone knows this anyway that there are the -- the one registry operator that does not provide a 'Thick' Whois -- is currently in negotiations for their renewal agreement. And it's not known to the rest of the council or to the community as to whether that part - whether a 'Thick Whois' is being negotiated into that agreement or not. So, it's the view of a number of other stakeholder groups and constituencies that we wait until that process gets completed before we even think about putting a PDP on the table. I don't see any reason why Oliver's thoughts would have changed on that, so if this does come for a vote I'm assuming that we have a no-vote or at least an abstention, but I do think that we need to throw that out to the group to make sure that that's still where we stand.

Keith Drazek: This is Keith, and Jeff let me just respond. As far as this is concerned, and I think you're absolutely right in terms of questions of a single registry or registry operator. Is VeriSign's - VeriSign's position is that any discussion, or any move from thin to thick in (Common NET) should be through a PDP. Is it that it should not contract bilateral negotiation that excludes input from the community -- registrars, registrants, other users.

So I'm not able to comment on negotiations that may be ongoing. I don't know the contents of whatever negotiations may be ongoing. But our position is that if it's a question of moving from thin to thick in (Common NET), is

that that should be through a PDP, rather than through bilateral negotiations - or contract amendment.

So having said that, I think it's important to note that we are uncomfortable, I think maybe it's the right word to, in voting against a PDP because of those reasons. So if the community wants to see the (unintelligible) in (Common NET) that that should be done through a PDP and that we would be uncomfortable voting against that.

So it may be that we would abstain from that - you know, from our stakeholder group vote? Or, anyway. So Chuck, do you want to add anything to that?

Chuck Gomes: Well, yes. I think you said it right, and I think Jeff understands the concern we have. We want to avoid the perception and really protect the registry stakeholder group in a sense I think is the way to say it. If you decide to vote 'no,' we don't want the community to think, "Oh, VeriSign's in that group and se VeriSign caused that." That's why I had asked you to make that statement on the Council before.

We would like you guys to decide what you're doing and if we abstain from the vote it will be because we don't want to have any influence over what's decided there. We're okay if they decide to go ahead with that. Your arguments Jeff, with regard to resources and everything are all valid. Your other resource - your other points are well taken too. We do not disagree with those. We're trying to avoid the perception, not only for us but for the stakeholder group, "Okay, VeriSign is a big player and they're controlling the stakeholder group."

Jeff Neuman: Yes, I think just to respond to that, and I'm aware of that and so I've tried to make the statement and I will again tomorrow make that statement if we decide to abstain or to vote 'no' I'll certainly make that statement again.

I think my point is actually looking at the larger picture and your position - if VeriSign is going to do what they could it should be through a PDP. My point looking well beyond this immediate issue, which is that there should never be a PDP that's focused on one player in the industry. That was a statement made by (Louie Touton) years ago and we've acted from that in a number of different situations. We've (unintelligible) look because there's one or two players that are doing it, it's not really right for a PDP.

So I understand your issue about the 'Thick' Whois, but we need to look out forth in the best intentions to the stakeholder group and I don't ever want to see a PDP in the future that's direct with one player because one player is doing something. That's not what it should be used for. So we have to kind of balance those two things.

Michael Young: So obviously I'll cage my comments a little bit given I'm in observer status.

David Maher: Introduce yourself.

Michael Young: It's Michael Young and I'm representing (Far Further) for .Music. You guys know I've been around this space for a long time and I have some opinions as well, so I will try and separate my personal opinions and as an observer give my advice.

I think it will look very poorly on the RYSG if we don't support this type of PDP. It will be interpreted badly by possibly the GAC, by possibly a number of people working on abuse mitigation issues, and I don't think this is about in

this particular case isolating out VeriSign. I think everyone recognizes this is not about VeriSign, it's just about (Common NET) which represents so much of this domain space and therefore so much for the concern. It's going stand all that it comes down to an organization - one organization (unintelligible) enters that space. It's not deliberately targeting VeriSign and I think it's in interest to make sure the public perception, or the RYSGs, that they're in support of ultimately mitigating domain abuse. And if you don't support the PDP I think it's going to be taken the wrong way.

Jeff Neuman: Yes, we've actually not supported it for the past six months and there's been no pushback from the community. By the way, it's not just going to be us. If we don't support it and everyone else does, the PDP is going through and nobody will care whether one group bowed out. But I have a feeling that this is a common feeling amongst the noncommercial stakeholder. I'm not sure if the registrars want it or not. So I'm not sure it's going to pass. And given our previous statements and where we were on the issue, I hear what you're saying Michael, but it hasn't reflected poorly on us so far and again, we have to think beyond this one issue.

It's not this issue. You could this one issue any - make it XYZ and make it completely meaningless and still point out that the premise, the reason we're voting 'no' is because it's a PDP against the activities of one registry operator.

Today it's this, but once we have a thousand gTLDs there could be a business model that a particular new gTLD puts into place, you know. Your new registry, right, could put into place a new business model and people don't like it and all of a sudden you're now the subject of a PDP. Or John's registry, or anyone else's. So that's the principle we're fighting against.

We need to make sure that (Louie Touton's) message back in 2002-2003 about why we wouldn't do a PDP on I think it was the (weightless) service at the time, we need to uphold that. If we damage that we damage for all future registries.

Michael Young: Jeff, I understand what you're saying. I wouldn't agree that it hasn't affected the reputation of the RYSGs that they have not been supporting. I hear a lot of different feedback through different groups and I would say, "Yeah, it is a bit of a sticking point and that friction is going to grow over time." I do agree that maybe we need to find some kind of middle ground that protects the point your mentioning that (Louie) tried to support so heavily, but I think holding the line as it is now is an inevitable path to undermining the reputation and the motivations of the RYSG. We need to do something.

Jeff Neuman: So we need some direction David. So we need to go through all the members and - I mean obviously it's my job to vote the way the stakeholder group wants so I think we need to pull the members.

David Maher: When is the next meeting?

Jeff Neuman: Tomorrow.

David Maher: It will be acted on tomorrow.

Jeff Neuman: Tomorrow, yes.

David Maher: Do you want to put the question for a yes/no, or how do you want to handle that?

Jeff Neuman: Yes, should we vote in favor of a PDP? Yes or no.

David Maher: All right. All those in favor of a 'yes'...

Jeff Neuman: Just make sure it's limited to members.

David Maher: We better do it by roll call.

Michael Young: Jeff, it's voting members.

David Maher: Only members vote. (Sherry)?

(Cherie Stubbs): Yes.

David Maher: We need to have a roll call of the members for a vote.

Man: David, what's the question again?

David Maher: Jeff, could you expand on it so that...

Jeff Neuman: Tomorrow there's going to be a motion on the initiation of a PDP on 'Thick' Whois. The question is simple, do we vote in favor of that motion or against. So if you say, 'yes' you're in favor; 'no' you're against. There's also abstain too I guess.

Keith Drazek: And just one further notice, this has already been pushed from one meeting to the next so there's no opportunity to request a deferral. Correct?

Jeff Neuman: If I could just, let me just add while (Sherry) is looking for the role. One option is that if we voted 'yes' we'd still say wait a year to do it until after the (CommonNET) agreement is out there, or wait until we have resources. We

could always say we're supporting it but we actually believe it should be deferred for a year. We did that with the UDRP.

Chuck Gomes: Excuse me, this is Chuck, for jumping in there, but that's an interesting thought because the IPC might like that approach there, wouldn't they. Because of Steve Metalitz' position with regard to negotiations.

Jeff Neuman: Well I'm still against it because it's a PDP and not (unintelligible) . If the group wants to vote in favor of it then we should consider that option.

Chuck Gomes: Jeff's idea has significant value. I think we need to make certain if we are going to vote that we vote - either make the proposal with that option and see if it flies, Jeff. Or make the proposal without that option. You know, one way or the other. I just think that otherwise we're developing a strategy after the fact. If we're going to approve it I would want to approve it and stretch it out if possible, like you did with the UDRP. Does that make sense? I know you're against it. I'm just saying.

Jeff Neuman: Yes, I know.

Man: I don't know.

Michael Young: I'd just like to throw in and say I think it's a great idea as well Jeff. I think it's kind of that half medium that I was hoping for. So yes, it makes a lot of sense.

David Maher: Do we want to rephrase the motion that it's yes or no...

Jeff Neuman: I don't think we can. There's no guarantee that we'll be able to amend this motion. I think we need to vote on this motion and then after the fact we should - because I don't think we're going to have the ability to dictate that

ultimatum. Right? So I think - if the group wants to vote 'yes' then go to the next question of should we push for it to be deferred for a year - be deferred for a year.

David Maher: Okay, (Sherry) are you ready to read the roll call?

Man: A point of order on that, so you're asking everybody to give two answers on this?

((Crosstalk))

Jeff Neuman: Yes or no, are you in favor of the motion, or not. And if it's 'yes' after we tally all of the votes, then we'll talk about that.

(Cherie Stubbs): All right, to call for a vote. NeuStar.

Jeff Neuman: Against the motion.

(Cherie Stubbs): VeriSign.

Man: VeriSign will abstain.

(Cherie Stubbs): PIR.

David Maher: Yes.

(Cherie Stubbs): MuseDoma

David Maher: Cary, can you hear us?

(Cherie Stubbs): Just to know that both MuseDoma and .travel have - if they're not voting they will vote with the majority. I don't think that will be the case today.

David Maher: No that's all right.

(Cherie Stubbs): Dot Coop.

Carolyn Hoover: Dot Coop votes against. Against.

(Cherie Stubbs): (Unintelligible).

Woman: Not present.

(Cherie Stubbs): Not present. Employed Media.

Ray Fassett: I apologize, could you please - this is Ray, could you please read the motion one more time?

Man: I'll restate it. It's basically - there's a motion to initiate the PDP on the Thick Whois. Are you in favor of initiating the PDP or against initiating the PDP?

Ray Fassett: Employed Media votes against.

(Cherie Stubbs): There are currently two No and one Abstain and one Yes.

Man: I think there was three No. I think it's Ray, Carolyn, and Neustar.

(Cherie Stubbs): I'm sorry. So Employed Media is No?

Ray Fassett: No.

(Cherie Stubbs): (Unintelligible).

Man: We didn't get that. Could you speak it in a...

Man: (Unintelligible) I'm trying to...

Man: You voted no?

Man: (Unintelligible).

(Cherie Stubbs): Okay.

Man: I think we're running into a problem there. A lot of people that may would prefer to - that we take this vote either after lunch - there may be desire for additional consultation, you know.

Man: Right.

Man: Does that make any sense? I mean we're getting a lot of waffling here.

Man: Yeah. Just informally I propose that we put this off for -- one reason is that we're delaying Maguy and her (unintelligible). The other is that it's clear that a lot of people need to - are talking about this.

Unless there's a strong objection we'll postpone the vote. A strong objection.

So we're now ready for the presentation on compliance. And Maguy?

Maguy Serad: Good morning everyone and thank you for the opportunity to be with you this
                 morning. Our objective is to provide you an update since the car where we
                 are.

                 And also at your request you wanted to hear a little more about the suspension
                 process. If you don't mind we'd like to go through the slide deck and then take
                 the questions at the end.

                 Are you guys ready?

Man: Yes. Yes thank you for joining us. We do appreciate it.

                 Just to let you know in terms of timing we have a hard stop at 11:45.

Maguy Serad: Okay.

Man: Where we need to begin a working lunch to prepare for our session with the
                 board. So we should make sure that we wrap up by 11:45.

Maguy Serad: Sure. Sure.

Man: Thank you.

Maguy Serad: So I'm going to start speaking even though - oh, here we go. I'm on Slide 3
                 please.

                 Again since my arrival -- in one month it'll be one year for me with the
                 ICANN staff -- ICANN community. And really happy still to be here.

But since my arrival I talked to you guys since the first meeting, I have a question. Are we doing -- whatever we're doing -- are we doing it right? And are we doing the right thing?

So basically focusing on ourselves, what the areas of efficiency and effectiveness. And we've been sharing with you what is our model, how we are streamlining our processes, how we are going about standardizing on the communications, on the process, on the information.

All these steps are critical to the success not just today but into the future. And we're going to share with you how we're accomplishing those.

Before we do that it's important for you to know what is our three year plan and how we are tracking against it. We completed 2011 which we refer to as our assessment trade trying to assess what we are, what balance, what skill sets, what tools, what processes.

And we put in an implementation plan that we have been tracking and working towards. Our 2012 it's called a transformation phase.

We are in the process of growing our staff not only in numbers but in expertise. We are also in the process of completing the standardization of our operations and doing some other things.

I know these bullets are very high level. There should be a slide at the end with more detail.

And if you want more details you know how to find us. From a compliance organizational update since the Dakar meeting I'm really happy and excited to report to you we have grown by four additional team members.

We can cover seven languages. It's really important.

It's not just showing off hey we have to get cover seven languages. But with the ICANN community and the diversity it's really important to have not only the right skill set for compliance but the right members with the right backgrounds and the right languages.

We find ourselves we all speak English. But how we interpret a verb or a sentence in English makes a whole different nuance, definition and meaning and a different content.

So I find myself many times conversing in French, sometimes in Arabic. I find my team members speaking, you know, Mandarin.

So it depends where we are needed. Sometimes we have to defer to that language to be able to speak to it in common ground even though our communication is in English all the time.

So as head of the contractual compliance department focus on three main areas. We grew our department in two key roles -- one of them is risk and audit management and I'm glad to share with you -- Jack if you would raise your hand in the room.

We have (Jack Karaja) joined our team late February, February 29. So he's very new to our organization.

But he is not new to risk and audit. He has been doing that for many, many years and has amazing certification.

And not only that but also experience. So we'll be working with Jack to strengthen that aspect.

Because it's one thing to look at compliance from a complaint management system and processing. But it's mostly important to look at it in concept of the risk that compliance or these complaints are bringing to our community.

And it helps us to build our strategy for audit and all these other things that we need to be proactively doing. So Jack will be focused on that.

But please I want to recognize -- I know we are four new team members strong. As you know within your organizations or even in your personal experience wrapping up to become knowledgeable in that space is already a challenge.

So we look at three to five month ramp up for resources. Not because ICANN is so difficult but it is.

It is a complicated environment to understand the whole fit of it. Another gentleman joined our team, (Paul Redman) -- he's not in the audience but probably he's on the phone.

But Paul is responsible for performance measurement and reporting. We don't want to just report volume.

We want to be able to put measures where we are measuring ourselves internally so we can ensure efficiency and (unintelligible). Where we want to be able to report back to the community in the spirit of transparency and accountability but based on facts.

So Paul since he's joined us late November -- Paul has also very strong IT background which is helping us also push forward improvements for our tools and systems. So you have a combination of IT knowledge, program management, performance measurement, dashboarding, data mining, that is an amazing skill set we also were missing on the team.

All these gaps were identified in 2011 -- what do we need to do our job? Then it left the core team focused on what we call registrar registry compliance.

Think of it as our core operations. Even though the other functions including myself are part of that core function.

But the core operations we focus the team on subject matter expertise and we're working towards what we called cross functional training. So it allows us the flexibility to be able to support the contracted party in a much more proactive way based on volume, based on complaints, based on changes.

We never know what to expect in this world ICANN community. So we want to make sure our staff is equally skilled to be able to support any area.

So you've seen this compliance model. But I'm very pleased to share with you -- I don't know if you've attended -- how many sessions you've attended.

But you hear of the people speaking now the culture of compliance. Culture of compliance is really important.

Because in our multi stakeholder model it's a bottom up approach. It's not only our job to watch over compliance -- it's everybody's role and responsibility.

We have completed a pilot phase with several - couple of registrar - registries, I'm sorry. We did this pilot phase on both sides of contracted parties.

We created self-assessment questionnaires. And we are piloting meaning testing, evaluating, it's not ready for implementation yet.

We took the contractual provisions in the two different spaces and we are asking the contracted party to respond and help evaluate and assess themselves. But it's also the feedback we've gotten from for example our registrar stakeholder group is wow Maguy this is great checklist because it has us all self-validate what we're working with but also helps them to train.

From the registry space we had a couple of registry stakeholder members join us and volunteering their time which we truly appreciated. And they responded to the self-assessment questionnaire.

And we are - we followed up with feedback. So you'll hear a little more about that.

But the idea is this self-assessment tool closed. Now the pilot has closed.

We're going to receive feedback from the pilot - the volunteers from the registry stakeholder group. We are going to review those feedback, assess what it means, how difficult because it's important to have the right tools.

But it's important that the questions are clear without any room of interpretation. So all this feedback is very critical.

We're also going to assess ourselves. We are asking for facts and data to be shared.

So we're going to evaluate what type of data? What format?

How are we getting it? What's the consistency?

How long it takes us to understand it? All this we're going to be doing over this next trimester.

And the first courtesy will go to the piloted - the volunteer registries. We're going to get with them, share with them the findings, what we've learned from this pilot, get their feedback also and put the plan for next steps.

So we will have more information to come your way. Next slide is very important.

We've been showcasing this. You've heard me talk about consistency, efficiency and effectiveness.

The only way to accomplish those is by having truly a consistent process for compliance to be published, to be communicated and to be applied across all contracted parties. We do know that there are differences in the contract.

But a process as to how do we apply the compliance should be pretty much a standard process. No matter what the intake system is please ignore the systems on the right - on the left side.

You know, you have e-mail. Sometimes we receive e-mails.

But we have three systems we listed here. That's what we have today in the registrar space.

But we refer to it - step away from those three blocks, four blocks -- refer to it as an intake system. There is somehow or another we receive a complaint or a notice.

So what does it mean for us? What is it in the life of compliance and what does it mean to you?

How are we working and collaborating with the registry operators in a clear, consistent fashion. Same thing with the registrars.

We start off with an inquiry or a notice based on the complaints we receive. We start off with a basic e-mail.

The title of that e-mail is titled First Inquiry. So there is no doubt in your mind of first notice with additional message in there what is it we're asking about.

The communication is in plain English -- not legal terms. The communication also from the first step we're asking for specific facts that you will respond to us and hopefully we put that inquiry or notice to bed immediately without playing tag back and forth.

You don't have the bandwidth or the time -- we don't either. So we became more efficient in that prospect.

We send off a first inquiry with a clear message, clear request and a clear timeline for a response. Let's say we do not hear from the contracted party that we sent to.

We like to give it the benefit of doubt one more inquiry. And this time we send it the same one but it's titled Second.

And in there in addition to that we also make a phone call. We want to make sure we are exhausting different means of communication.

By the third notice we add the fax. We fax the e-mail.

So we look at the information we have and we send it. But we also by the third inquiry whether it's the registrar space or registry we engage the liaison team.

That is the counterparts we have like Carl and Francisco. We engage them because they are your customers.

You have that relationship with them. They are informed hey this is the third and final inquiry.

That's serious business. We don't have responses or by then -- or it is a notice, it has not been cured or we don't have data.

One process we improved upon in our area is we turn around this hot potato. Once that third inquiry or notice expires we are within two business days are committing ourselves internally to turn it into a breached notice without publicly published sent to the contracted party in hand.

But the breached notice also plain English, should not exceed a page with an attachment at the bottom with the chronology of all the previous steps. In the spirit of transparency and accountability we document all the facts, all the

events, which phone call to which number to which person to which e-mail address because we want you to know what we've done to this point.

The breach notice is sent and it's published. This is the first time we publish on the website and the community knows about it.

We are being asked by the community to publish upfront and we said no because we want to have the spirit of collaboration and fact finding to get to this step. Once a breached notice happens in the space of the registrars as you know we have collaborated with several of the registry operators.

We have already today one registrar that is in suspension for a specific period of time. And this is the first suspension we executed from our enforcement toolbox.

That's another process we finalized this past trimester. So the difficult process because we want to look at it in a holistic fashion, not just focusing on that registrar at the fault here.

But we want to make sure we look at it from the registrar perspective, from the community, from our registry operators also because there are impacts on all of us. So lots of collaboration the impacted registry operators.

Many discussions and we thank you, thank you, thank you. Because this process we do not and cannot and should not work in silos.

We are - we have that contractual obligations. We need to be able to collaborate and work together on establishing those.

So we have that in place today. And I know the - you asked specifically about couple of slides to be informed about suspension.

The suspension criteria is referenced in the RAA 2009. Not going to quote it but there is little bit of information about what is it we do and what does it mean.

So a suspension for a registrar is basically the ability to create - okay I'm on Slide 8. Am I the one projecting or you are?

Ah, so you're giving me more control. That's scary.

Okay I'm on Slide 8. It's about the registrar suspension process.

Basically should not be an impact on the current registrant that is in this registrar's space. It's basically just stopping any new registration or inbound transfers into that registrar.

It's a way of disciplining and giving the registrar an opportunity to cure the breach. I know we issued a breach notice and it didn't happen.

But we don't want to just terminate. Let's see if it's a registrar that has not had breaches or complaints.

Could be many things. But we want to work with the contracted party to fix it.

So on the Slide 9 we are - we have published a frequently asked questions on the compliance website. Please take time to go look at it.

Because we received amazing questions from this stakeholder group -- also from other stakeholder groups about possible questions to help address some of those concerns. So take a look at it.

If you think of a question that's already not been addressed please send it to us and we will get it addressed and published. But the suspension here in general -- the 2009 RAA seeks a suspension up to 12 months.

We're not going to execute 12 months immediately. It's going to vary on a case by case scenario.

That's why you hear us speak of good standing/bad standing. If we have had multiple issues with a registrar it's a bad actor.

Well the suspension period is going to be determined based on the complaint and the -- what is it that they have not been good actors in and will be published. The most important thing in here is that throughout whole process we will be collaborating and working with you as registry operator because we do appreciate the support that you give us when we implement a suspension.

So the support we get from the registry operators that has been pulled together with the - some of the stakeholder group members here is basically -- we look at you as registry operators to help us implement in a timely manner the blocking mechanism. And we also commit to you to maintain an open communication.

So we give you a heads up notice. We keep you informed throughout the process.

Because we're not going to wait the suspension day zero at the end of the period to let you know what's happening. We are asking for information up front and we will collect that data and then inform you in advance of the suspension close period - what is the next step that we're expecting to happen.

So clear communication and engagement and collaboration is really a key factor to the success of this process. As I said to the impacted registry operators on our call this is the first time we do it.

We do need to do a lessons learned after we go through this suspension process through its cycle -- what were some of the lessons learned? What can we improve?

What should be done differently? And to help us really become more efficient and effective. Going to turn it over to Pam because a lot of areas is now we have additional staff members -- you'll see it how are we intelligently looking at the data and working with it.

Pam Little: Thanks Maguy.

Man: Excuse me could I suggest - there are probably some really important questions that need to be asked and we do have a really impossible time schedule. I'm sorry to cut you off on this but if - would this be a good time to go to questions and answers on the process? I apologize.

Maguy Serad: Yes sir. Absolutely.

                 But please do take a look at it because we are wrapping up on our compliance activities in the registry space and would be working and collaborating with

you more. And if you have questions on the other slides you know how to reach us.

So Q&A?

Man: Okay. Go ahead (unintelligible).

Ray Fassett: Thank you Maguy that was a good report. Could you go back to that one slide that showed the first, second and third notice?

Yes that's the one. Thanks. Now is pertaining only to registrars or are you including registries in this slide as well?

Maguy Serad: It is all contracted parties.

Ray Fassett: All contracted parties.

Maguy Serad: Yes.

Ray Fassett: Does this slide indicate that in the first, second or final that ICANN will state to the contracted party what exactly they are in violation of and what the cure would be before going to a breach?

Maguy Serad: Yes. Clear communication between the steps.

Ray Fassett: Are these - have these steps been put in place upon your review of the compliance program since you arrived?

Maguy Serad: Yes.

Ray Fassett: And you don't have to answer...

Maguy Serad: You know I have a process background first.

Ray Fassett: Right. And you don't have to answer this one but do you think that these steps were not in place prior to?

Maguy Serad: I don't know.

Man: Okay. Thank you.

Woman: No Ray we only just finalized it and we are - we only been trying this process since the beginning of Q2 which is the (unintelligible) right. After the dot com IT.

Ray Fassett: Well I missed your - everybody in this room understands but .Jobs which is who I'm with -- we're in a breach situation right now. And we're probably the only registry operator that has been in that situation.

So I can kind of speak from a unique perspective. And speaking for I think the interest of the group and others can comment -- it is really important that in the first, second or final notification that the exact violation that ICANN, not somebody else because we're all in contract with ICANN not other parties.

But that ICANN in those first three notices notifies the registry operator what they believe they're in violation of. And to really be best practice what a potential cure is -- what their recommended cure is.

Those two elements are really important in those first three steps. And I just wanted to get that in. Thank you.

Maguy Serad: Thank you Ray.

Man: Any other questions? Carolyn go ahead.

Carolyn Hoover: This is Carolyn Hoover. I'm curious which registries you worked with on the pilot program?

Maguy Serad: Is that okay if I share with the registries? We had (unintelligible) and PIR.

Carolyn Hoover: So again...

Maguy Serad: And affiliates, thank you.

Carolyn Hoover: So again this is Carolyn. So there were no working with smaller registries is what you're saying.

Maguy Serad: Yeah. Clearly I don't know what - how to answer this one. Yeah we worked with the three registries. Go ahead Paul.

Paul Diaz: It's Paul Diaz from PIR. Just to clarify Carolyn in this particular case the first test of the suspension program the particular registrar that was in violation -- they reached out to registries that they had names under management with.

That was all. The lessons learned that she's hinting at were all going to be a part of that. Because it could impact any of us in the future.

Maguy Serad: Thank you.

Jeff Neuman: Any other questions? Why don't you go ahead then?

Maguy Serad: How about we give you the 10 minutes to enjoy your lunch before you start...

Jeff Neuman: That's right behind you. If there are - I had thought there would be more questions. But I'm rather pleased that there are not. So we thank you very much.

Maguy Serad: Thank you very much. And we will be collaborating with you.

Thanks Dave. I know I've reached out to you many times to share things. And we will continue to work through this registry stakeholder group as we evolve and continue to improve. Thank you.

Jeff Neuman: Okay we'll go back to the GNSO issues. Yeah I mean we have the time.

We need to do that. So all right -- we'll still skip the (unintelligible) since people wanted more time.

The next two motions hopefully will be a lot easier I would think. The next motion is a motion on the approval of a charter for the locking of a domain name subject to UDRP proceeding.

PD - sorry, subject to UDRP proceedings, PDP working group. So it's basically the approval of a charter for a PDP that we previously approved which was a PDP on locking the domain name that's subject to the UDRP.

I think this is pretty non-controversial. I would say unless there's any comments we support it.

So is there any comment or discussion on that? Okay. So I'll take that as instructions to support it.

The next one is actually a motion from Jonathan Robinson that was seconded by me. So hopefully we do support it.

It would look kind of bad if we didn't. But it's a motion to approve cross (unintelligible) working group principles.

These have - principles have been in place - or I should say have - the drafts which have been - we've been working on this for the past at least year or so in response to cross community working groups set up like the JAS group that was set up and the DSSA and the JIG might be the - I'm forgetting what all these abbreviations stand for. But essentially there's a lot of groups - there have been several groups that have emerged.

Lessons learned is a joint working group - IDN working group with the CTTLDs. And remember we had a bunch of issues of things like what happens if the CCs approve the charter but we don't.

What happens if, you know, the CCNSO approves your recommendations but we haven't gotten to them yet. When is it forwarded to the board?

These principles which Jonathan actually led address those at least from a GNSO perspective. Once we approve these principles tomorrow they'll go to other SOs and ACs to get their feedback on.

But essentially this - I think it's a good document and I think it's pretty self-explanatory. It's on - there's a link to it from the motion. So I don't know does anybody have any comments on this?

Chuck Gomes: This is Chuck. I totally agree with you.

We should support it. We should move on and work with the other SOs and ACs to work on some principles.

My own personal feeling is we should have worked with them from the beginning but that's beside the point.

Man: Yeah just we wanted to get our own house in order before we could deal with other houses. There were a bunch of complains of others like from the ALAC and some other groups that basically said that we're trying to impose our own standards on others.

But the reality is we just wanted to make sure we as the GNSO understood how we would deal with cross community working groups before we felt comfortable sharing that with others. So I think we did it the right way.

I think there's been a perception that we've been a little exclusionary. But I think in the end it was the right thing to do.

But anyone oppose floating it? Okay.

So now one that may take up a little bit more time. And this is the motion on approving the recommendations of the drafting team on the protections of the international Olympic Committee and Red Cross marks at the top level.

I know we've discussed this as a group. We actually have a statement that I believe we filed comments on these particular recommendations supporting these recommendations.

So I'm assuming we still support them. But I thought we would provide and update.

And actually let me (unintelligible) let me turn it over to Chuck who's been the registry representative to the group.

Chuck Gomes: Thanks Jeff. I sent around - I think it was just yesterday -- it was just yesterday because we had made some amendments.

I assume Jeff you're going to accept those as friendly. Maker of the motion.

To the motion. And in case you don't know the motion is going to be voted on in the council in three separate parts -- recommendation one, recommendation two, recommendation three.

The whereas clauses are the same for all of them. But it was decided (unintelligible) and it would be best to split them up.

I personally believe - hopefully if you looked at it, it was a red line that I sent around. It's real easy.

I encouraged you to look at it before this meeting. Hopefully you did that.

If you didn't just real quick it was just sent yesterday. And I think the amendments addressed concerns that were expressed over the weekend.

There was pretty strong agreement on the amendments in the drafting team in a meeting that Jeff called early yesterday morning. And that doesn't mean that everybody will support the motion still.

But that it was strong agreement for that. So either pull up the thing now or if you have any concerns on the motion.

Now understand that there can still be additional amendments. So I would suggest that we give -- if nobody objects -- that we give our councilors some freedom on this.

I think we're all - almost unanimously on the same page on this particular issue. If that's not the case speak up now.

But I would like to give our councilors the freedom as additional thing. This is - I mean I don't know how much time was spent on the weekend on this topic -- a whole bunch in probably four or five sessions if you include the GAC and the board.

So again I suggest that we not only - we support it as is but we also give our councilors freedom to use their best judgment because they understand our position on this.

Jeff Neuman: Thanks Chuck. I also I want to point out the significance of this motion because we haven't really talked about it.

And then I also want to address something that I've heard from - that the registrars have passed on that we might want to consider as well. This is the first time that I believe in a long time -- it's not forever -- that the GAC has actually worked with members of the GNSO to actually come up with these - to help with these recommendations.

I think it's got a lot of significance to that. I think it's the first time -- and the GAC was certainly appreciative of this when we presented it to them on Sunday.

This is really the first time that there's been this form of collaboration and sets a model and a precedent for working together with the GAC in the future. And they certainly appreciated it.

I also want to point out something that the registrars had brought up -- none of us were happy about how this all came about. None of us wanted or knew that the board was going to pass a resolution in Singapore to give special protections to the Olympic committee or the Red Cross.

That never went out for public comment. That was not anything that we could really voice our opinion on as to whether we supported it or not.

We're kind of stuck with it. Staff (unintelligible) that board resolution in the applicant guidelines.

And the matter that the drafting team found was flawed. The - for example it basically created a new type of reserve names for these two -- the Olympic Committee and the Red Cross -- that were not typical of the other reserve names in the guidebook.

That never went out for comment. There was never any community feedback on that.

It should be noted that the drafting team after we came up with our recommendations we got a letter from ICANN staff telling the drafting team that we were proposing changes to the implementation in the guidebook. But

more importantly we were proposing changes to the recommendations from the original GNSO working group on reserved names.

And because (unintelligible) recommending those changes that we needed to go through a public comment period. And that public comment period would take us until after the April 14 date.

So therefore we shouldn't even propose it to the board. There were a number of offensive things in that letter not the least of which was well the staff proposed an implementation without going through any kind of public comment period.

But now some sort of expectation that if you found that to be flawed or if there were any recommendations for changes that had to go for a public comment period. And of course that meant staff could basically set policy without any checks or balances.

It was also interesting that they said that our proposals to modify it changed the recommendations of the working group -- the reserve based working group when that's what the board resolution did in the first place without going through any public comment period. So there's been a lot of discussion back and forth with the drafting team.

The reason I bring this all up is - well there's a couple reasons. Number one it's the registrars as I understand it have discussed this within their group.

They are supportive of the motion but they may make a statement that in the future anything like this -- any policies like this need to go through the PDP. So any kind of reserve name issues or anything like that needs to go through the PDP and the board shouldn't do this again.

I don't know if we want to support that or not. I don't fully know what the statement is.

That's just kind of some of the background I got. And that sounds kind of logical to me.

But we are in the situation we're in. It may very well be that the board actually does not vote on this motion at this meeting.

It may very well be that what we pass has no effect because the board's not able to implement it prior to the end of the first round. If that happens what I will tell you is that the ALAC and others that do support this motion right now will withdraw their support and will basically say that if the Olympic Committee or Red Cross want additional protections it has to go through a PDP the next time around and all bets are off.

So I think these are all important things to consider. None of us has any kind of agenda in moving this forward.

But this is kind of where we ended up.

Chuck Gomes: Thanks Jeff. That's all really helpful information.

I want to point out a couple other things. One of them is, is that the statement that we posted on this issue included some thoughts along the lines of what the registrars are saying.

We (unintelligible) voice support for the recommendations. We then went on to comment on a couple process issues that we were concerned with.

So I think it's really consistent with what registrars are doing and what we had concerns about. I also want to point out in recommendation two which has to do with the languages -- and correct me if you have any newer information Jeff -- but with regard to the number of languages and the list of languages that these Red Cross and IOC terms would be translated into and have such protected that likely will be changed drastically in the motion and revert back -- first round only - revert back to the six languages supported by ICANN which I think is in the applicant guidebook right now.

The two groups -- the IOC and the Red Cross Red Crescent met yesterday afternoon and they have backed off of the request. The GAC requested more languages but the IOC and RC have backed off of that request.

And my prediction -- and Jeff please correct me if you have newer information -- that that part of the motion will probably be changed. And that will probably reduce some of the controversy especially from the noncommercial side.

That's a guess. For those that don't know the non - the NCUC members -- the legacy constituency in the NCSG -- is probably the only place where we're aware of there will be opposition on these recommendations, okay.

Jeff Neuman: Yeah just what - just one clarification on that. So it's not six languages but there were other languages that were included in the guidebook other than the six.

So it's reverting back to the guidebook. That's the right principle, yeah.

But it's not just those six. It's not (unintelligible) but yeah I think that's what's going to be recommended.

Man: Excuse me I want to ask Jeff for some clarification or you two guys for clarification. I understand the concept behind this.

How do we get - how do we have assurances that this is not just the initial camel's nose under the tent? I mean that's my biggest concern there.

You know, what starts today with two suddenly ends up with the name of every setting - if I was the director of marketing for Olympus cameras I'd probably a little upset anyway. But go ahead.

Jeff Neuman: I think it's a great question. And that came up a number of times this weekend and even with the GAC.

The distinction that was - and actually just to add to that it's a very valid concern because immediately after our discussions on Saturday and Sunday we got letters from the OECD -- from the lawyers from the OECD that we needed to protect every single IGO in the same fashion. What I will say which is a little bit of comfort but is not an assurance is that during the GAC meeting the - at least Suzanne from the United States and others concurred with the notion that the reason they offered these two particular organizations protection was because they were unique amongst all other organizations in the fact that they're protected both by international treaty and by a significant number of national laws.

None of the IGOs have - enjoy the same level of protection. So and when we asked the question of the GAC initially back in October they said the same

thing -- that no it's only the Red Cross, it's only the Olympic Committee and those are the two.

I will say though that the GAC obviously has to listen to all of their concerns. So during the meeting on Sunday (unintelligible) invite for the meeting in Prague the OECD to present to the GAC as to justify why they think they deserve those protections.

I can't give any assurances that the GAC won't change its recommendations -- be forced to. From my discussions with the United States government and others there's no intent on changing their position.

But, you know, they could come back and, you know what? The great part about it is we can always say no.

Man: Well that's my concern. Because I'm not that versed in the organizations but I thought the IPU was also a treaty organization as well.

So my concern would be that we need to be - to ensure that a firm understanding of this assent as it moves forward is put out in the community that okay here we are. But don't keep - don't think that this suddenly creates some sort of a precedent that people can use in the future for that. That's all.

Jeff Neuman: Right. And I think just - sorry. To clarify we did add in the red line that Chuck sent around we added some whereas clauses which I think address that.

The first one says, "Whereas the GNSO (unintelligible) implementation of the board's resolution is needed to be available before the end of the application window. Whereas the GNSO intends that these recommendations be solely limited to the IOC and RCRC - it's called the Red Cross Red Crescent. And

then whereas the GNSO recognize that there might be a policy impact of the protection for the IOC RCRC for future rounds and at the second level."

And so we've added basically the notion that this is not to set precedent. This is only with respect to this.

And, you know, it's not 100% guarantee or 100% assurance that we'd all like. But I think it's good enough for this point.

Man: Okay Chuck go ahead.

Chuck Gomes: Yeah and another thing we may want to see is a request by a councilor that the department of Commerce and NTIA - excuse me, let me back up. That the GAC provide its - information on the research they did on this issue which was intended to show the uniqueness of these two categories.

Now we should also realize that once we have more time to deal with this in a proper PDP or whatever after the first round that it would probably be preferable to put the requirements that the two organizations satisfy in there instead of the two organization names. But there's just not time to do that now.

So that's another issue that can be refined later on. So can you - as you'll recall too that the registries as a whole were opposed to this concept when we thought there was going to be undue precedent.

And then when the GAC presented their letter and really made the case very strongly that this is a very limited category. But it doesn't mean that there couldn't be another organization in the future.

We think it looks right now like it would be very limited. But I think that's adequately dealt with.

Man: Yeah I guess mindful of the attempts to revert the ISO lists I would not want to have a situation in the future where we gave them some sort of a defined standard that somehow could be reverted to include all this -- that's all.

Keith Drazek: Okay thank you. This is Keith.

Jeff do you have anything further that you need or want to discuss on this point? Or anyone else in the room?

I think we've covered it pretty well. And obviously a lot of very good work has gone into this issue including from, you know, from your Chairmanship and, you know, Chuck's input on the drafting team.

So anything else you need on this point. Okay. Go ahead Ching.

Ching Chiao: Yeah this is Ching Chiao. Just to - just for clarity purpose Chuck you - in the beginning of this conversation you mentioned some room for the councilors to decide - what I'm hearing at the end is that we will still ask (unintelligible) statement that we had I mean already voted upon.

And that the registry - I mean the councilors will just go ahead to vote to support this motion. But perhaps during the meeting we should emphasize once again about the concern that we have also (unintelligible) registrars.

They have the same logical concerns that we both share. I'm just trying to get the clarity here.

Jeff Neuman: Thanks Ching and Chuck. The - and my suggestion as I said if nobody opposes it I think we need to give our councilors a little bit of freedom here because there may be some tweaking that goes on in the council meeting.

I don't think it'll be substantial. If it is our councilors know how to deal with that.

But so I would support giving you the freedom on that -- all three of you in the council meeting on Wednesday.

Keith Drazek: Okay. Thanks everybody. We have obviously gone quite a bit over our time schedule for the morning session.

I know that the GNSO motions and all of that are really the most important (unintelligible) of the day. But in the interest of time I think we have Juan and Xavier in the room to talk about the FY '13 budget.

If we - I guess I'm looking to the group in terms of timing. We have a busy schedule.

We may not be able to get them this afternoon. Should we invite them up for some time right now?

Ken go ahead?

Ken Stubbs: Yeah what I was going to say is maybe if they're not offended if we can kill two birds with one stone and they would give us just let's say five minutes to get started.

Keith Drazek: Yeah that's....

Ken Stubbs: And bring our meals back to the table and listen to them while we got that out of the way.

Keith Drazek: Yeah. My concern is that we still have to talk about our meeting with the board.

Ken Stubbs: Yeah.

Keith Drazek: And that is at 1:00. So we're crunched on time.

                   I think the alternative - Chuck go ahead?

Chuck Gomes: Yeah just you're - let me make sure I understand your suggestion. Again you're asking that who come up?

Keith Drazek: ICANN - Juan and Xavier to talk about the framework for the FY '13 budget.

Chuck Gomes: Okay. Sorry I wasn't concentrating...

Keith Drazek: Sorry I wasn't clear.

Chuck Gomes: No, no it was me. My mind was elsewhere.

                   I would suggest against that. Unless there is something specific we're concerned about with the framework that we haven't already covered.

                   Because we had the teleconference with them. And of course our time is really crunched.

So unless we have something specific I don't think that's necessary. I'm not every sure that's a necessary agenda item.

But please say differently if you think so.

Keith Drazek: Ken go ahead.

Ken Stubbs: I'm going to say differently about one thing because this was just brought up in the teleconferences as an - and it's an issue that needs to be (unintelligible) board. Jeff also mentioned it with the KAHN conversations with Curt and J.J.

I'm trying to take it up where it belongs. And that is under the most conservative of projections ICANN is going to be coming up with a significant pot of money during that budget time period.

We need more accountability for the process of dealing with that. I've brought it up three different times over general sessions and public comments and gotten pretty much stonewalled by (unintelligible) all the way.

But we're now getting to the point where the rubber meets the road. And, you know, I can...

Keith Drazek: Okay. Why don't we do this then? I think because - I'll extend apologies for our time crunch here -- suggest that we actually set up on our following teleconference calls some time to go through in a little bit more detail any presentations that might be timely.

But why don't we go ahead and have the conversation on this topic right now. Five or 10 minutes -- whatever it needs to be.

We'll get our lunch and then get back into working on the meeting with the board. Chuck go ahead.

Chuck Gomes: Yeah just one question. Did we ever submit our comments on the budget framework?

We did. Good. I'm blank so thanks.

Keith Drazek: Okay so Juan and Xavier. They're not - okay.

Well that solves that then. All right.

Let's then at this point go ahead and break for lunch. Five minutes, 10 minutes back here and we'll continue with our working lunch.

And just so everybody knows David had another obligation and had to leave this afternoon to fly back to the States. So I'll be chairing the rest of the afternoon.

And apologies that that wasn't made clear earlier.

((Crosstalk))

Keith Drazek: Okay everybody, we are fortunate enough now to have (Xavier Calvez) with those from the ICANN's - the budget office and he's going to spend five or ten minutes with us right now just giving a quick overview about plans, next steps, next stages for the budget and operating plan and then to respond - be available to respond to the question that Ken raised earlier. So Xavier.

(Xavier Calvez):   Hello everyone, thank you for taking the time and the invitation and the opportunity to speak. Just wanted to give a very quick overview of where the budget process stands, but also for the objective to let you ask any questions that you may have and that I can answer at this stage in this very brief overview. So we are setting and San Jose now we are looking ahead at the deadline of May 1 to produce a final draft budget, when I say final draft budget I will qualify what that is, it's a detailed bottom-up budget in the format in which it will be presented to the Board for approval at the end of June 2012.

This draft will be produced and published on May 1 for public comments between May 1 and approximately June 10 - something like that, so as to allow for comments and questions on this information prior to it being finalized for submission to the Board for approval, so that's the next step that we have in front of us. In the meantime we have as a number of you know produced a framework for the budget which is a much more summarized and preliminary information about the budget in terms of directions, project lists and also a first attempt at qualifying the next year's resources in costs.

A framework is been presented to the various organizations of the community, including your group - with the number of participants of your group. There has been a number of comments provided on that framework and we have gathered those comments - we're in the process of responding to them, we're close to finalizing our responses to those comments. The comments that we received, just so that you guys can understand, are quantifying sometimes information - asking for sometimes more detailed information about a given subject, which considering the fact that the framework is a summarized exercise.

And it's just on the intents to give a perspective as to what will find it's way to the final budget, so when we receive a comment requesting more information or more details about a subject, very often the answer is - will do - it will be in the final draft budget. What we are trying to be careful that is of is making sure that it's not for the ability to provide further comments if the person is asking for details, so that's the type of questions we receive. We have also sometimes comments that (unintelligible) of the overall process and also some questions that may be either related to the budget or more related to a specific project or - and I have in mind a number of new gTLD-related questions as well.

And I think (you and) we can maybe address all those questions that have been asked earlier today.

Keith Drazek: Thanks very much Xavier, we really appreciate your time here, brief as it may be - my apology again for the compression of our schedule. But yes, why don't we open it up now to any questions from the stakeholder group to you and thank you for acknowledging that we, you know, that you've received the comments that we submitted and that you're in the process of responding to those in a formal fashion. But while we've got everybody here in the room and the benefit of your time, let's open it up for a few questions. And I think - I know Ken was in the queue first, then Paul then (Raimondo).

Ken Stubbs: First of all I'd like to thank you very much for coming in here and I'd also like to thank you very much for taking an awful lot of - I won't use word heat, but misdirected either criticism or comments that really don't belong with you primarily because you're the messenger. I need to go back again to reflect the fact that by definition there's nothing but a quantified plan of action. So when heat comes before me or before us, the principal function that he serves is to take what has been presented in strategic plans and so forth, put it into

numbers and then give it to us. So if we're not happy because there's aren't numbers in his budget that we think should be there, we need to be certain that we direct it to the right area.

My concern that I discussed previously with this gentleman here is a process, some of the process and this - I'm just asking him to take it back up a line, some of the process concerns that I have is the fact that we're really - years ago we had what we called the budget committee, what then fact was representatives from various SOs, from various groups that were part of the ICANN community. And what we did was we worked with the financial as well as indirectly with - there were even board members on the committee to provide how to make this process more effectively.

I've asked Xavier if he would please consider taking the request up to the ICANN - up to the Board to give us opportunity for more input early on to develop some sort of a workshop or something to help make this process more effective.

There are - now I'll get to a number, there are many of us that are very concerned about the fact that ICANN tends to be somewhat static, you have a process that takes months to complete and yet you're using a (such) that were made months ago and we are not in a static environment here, there's a constant flow. So the classic example of this - we've constantly referred to is the fact that you use a budget that's based on the assumption of 500 new names being added, 500 applicants.

When in fact, now I can't say we all know, there's a high probability, I'll take it to the bank and put money down that it's going to be a lot bigger number than that. So what we're really saying is when you have a situation like that ICANN - in public accounting I don't practice this anymore, we have what are

referred to as (supplement) events and I think we need to develop a process that allows for disclosure so that people are aware of fact number one, that ICANN isn't sitting there with its head in the sand, etc. etc., so that's principally my concern there, you know.

(Xavier Calvez): So let me take Ken so far on the example that you've taken, but I want to first address the question on the process that you and I have already started discussing as well as with others. And our previous discussion came on the subject, I did mention to you that (unintelligible) which was my first meeting, I had a number of discussions with other people than the ones that are in this room about finding a way to communicate effectively on the more technical part of the budget process.

When I say the more technical I don't necessarily mean purely accounting, I mean the detailed process of building a budget which has its sequence of events and its timeline and its parties and involvement. So out of those discussions as a preface I wanted to have those discussions because I felt with the feedback that I was receiving from the staff internally as well that no one was necessarily entirely happy with how we were as a group managing or not to communicate and participate to the budget process.

So I had a number of conversations with two or three different groups the subject of, is a working group the potential solution, now we're in San Jose, I've had this discussion there with Ken and again with Marilyn, Peter also as well and I think it's becoming a little bit more clear what we can do. What I want to make sure we do is we define very well the needs that we have in terms of communication and exchange and input so I can define correctly what the solution is.

Now intuitively without having formalized this very well yet, I feel that the needs that I've understood and that have been communicated to me in the (words) that I see - because I have of course my own view as to the effective - how effective the process and the potential solution of the working group are fairly well aligned. I think it depends on how we define the working group, what (school) we give to it, how we define its independence - it has to have a certain amount of representation across the various organizations but it has to be a workable working group otherwise it's a discussing assembly, it's not a working group.

So we have to define I think around that subject and be able to define around that subject the actual way to make it work. So conceptually I have no problem I think - I have submitted that idea to the people that I discussed with in the car. I had hold off on that process because I wanted to be careful to understand better the subject and I think I do now today and I will understand it much better once I will have gone through a full cycle of the budget process which will be in Prague to move forward on this subject.

So I, you know, my expectations try to establish in Prague the first step of moving forward on that idea, whether it will be establishing that we're a group or sitting down with a number of people to do that. But hopefully we'll have the ability because what I want to do too and I know you have that in mind is by the end of Prague I want to have established what the framework is to do that because (it's the right thing) that we need to start working with that group if we establish it right, because that's when it starts. And then I'll answer your question on new gTLD

Keith Drazek: Okay thank you Xavier and just to be mindful of time, I've got a few other people in the queue. Ken are you good?

Ken Stubbs: (I'm okay) (unintelligible).

Keith Drazek: Okay (Javier) why don't you go ahead and respond to the new gTLD question and then we'll quickly get to Paul and up on (Raimondo).

(Xavier Calvez):   So the new gTLD are you've taken an example which is the new gTLD to address the concern of being too static and things change and being able to address that so I think the new gTLD I don't have enough background to be able to address the very general aspect but the new gTLD specific institutes of that subject is in my (unintelligible) to be unique in the sense that to be talking very practically as we have discussed before, we're going to publish on May 1 the number of strings that have been applied for. Coincidence for the calendar of May 1 you guys may have heard me saying before is also the day where we're going to publish the final draft.

So the details of the bottom-line budget will be published on the same day that the numbers of applications will be published as well. It's not hard to see which one will get the most attention, it's just a coincidence of calendar. So the conundrum that I'm dealing with is I have to build internally an informa- but with assumptions that I (fear) to disclose one. Second, we will have that number a few days after April 12 - let's say for the sake of this exercise April 18 we'll finalize the processing of everything.

Between April 18 and May 1 I would have to take the information about the number of registries - I'm sorry the number of applications (unintelligible) and turn around a completely bottom-end built budget - which is not, it's just not going to work. It's not technically possible in 12 days to turn something around that changes entirely the detailed information and basically (date it), redo basically the budget in 12 days. So - but of course I recognize that if I would only use 500 applications and we end up by having 1500 or a different

number, (you can take) the final draft of the budget entirely obsolete right away, when the (unintelligible) is published right, so we have to deal with that problem.

So this approach that we suggested to retain is to formulate as part of the final draft a budget that we're going to publish on May 1 different scenarios of number of applications. We're going to have 500 and we're going to have other numbers as well, and we're in the process of building the model that will be used to plug in different numbers of applications. So there's probably 1600 people in this meeting, there's probably two including me who know how many applications we have received so far and I won't talk about it, but I have that information of course because I monitor the bank account on which we receive the $5000 payments on the hour by hour basis.

The - so of course I have a certain amount of information, but we can't use it in a manner that allows me to build the budget with the entire staff, with the budget the SO and AC in constituency requests, so it's just from the perspective of processing time, it's just nothing (that's) possible and the answer that we suggested to retain is to use scenarios. And hopefully we'll have been able to be smart enough to retain a scenario of the number of applications that will be close enough to what the actual will be.

But say we have 1400 applications and we've built a scenario that's 1500, well that's (unintelligible) the final budget. And as much as I can we will adjust the 1500 scenario to the 1450 number, but at the end of the day this is (unintelligible).

Keith Drazek: Thank you very much Xavier and now let's go to Paul Diaz.

Paul Diaz: Thanks Keith and thank you Xavier. I think you largely addressed the question I had about the scenarios and the coincidence of the timeline. What I was wondering though is even in this scenario that's presented, if it's still significantly smaller than we run on May 1, the reality of the number - May 1 to the end of June when the budget needs to be approved is not very long. Has ICANN considered any form of continuing resolution to the budget so that the community will have time to fully digest and comment on what would need to be revised budget to take account of a significantly larger number of domains?

(Xavier Calvez):   My sense (unintelligible) is to formulate scenarios that cover our bases. As I said I'm privy to the information about the number of applications that go through and I'm expecting to try to find a way to have, you know, I would want to do something like three scenarios or four to try to address the subject. So 500 is one, then I actually expect something - I think 1000 will make sense as well because it's also a milestone in the quantity of applications from a processing standpoint and so I think that that could make sense as well.

And then try to scale up so that we can cover our bases. Now, you know, what two additional scenarios would be I don't yet know and I don't necessarily want to try to do that too much. We're right now working on building them all, which conceptually there are revenues of course strictly proportional to the number of applications. Costs are - a number of them are directly proportional to the number of applications and a limited number (unintelligible) right, some costs are fixed.

So the model is not rocket science to build right, but it has to have a sufficient amount of detail so that he can be used for budget purposes. The model for strategy purposes and the budget have different levels of details right, so I need to build a sufficiently detailed model that helps address the need that they know I could use that model and basically integrate it in the budget

(write-up). So my point is to try to formulate scenarios so that I have stretched the range of probabilities far enough (in ten) to take those scenarios.

So having said that we need a Plan B ,right and the Plan B is to be able to work with the staff and the Board to determine how the process has led us have either may be a preapproval for a partial approval. I know in the past there's been sometimes that type of approach (unintelligible) but this I things that were being discussed now.

Keith Drazek: Thank you again, (unintelligible) (Raimondo) and we really need to wrap this up in the next ten minutes probably because we need to prepare for our meeting with the Board. So if we keep our questions and answers as brief as possible so I've got (Raimondo), (Jonathan), Jeff in the queue and then (Kenneth) this time.

(Raimondo): Thank you so much for (unintelligible) the primary concern by the fact that when the application fee was calculated (unintelligible) the finance committee and the Board and the essence of the calculation was made with the same scenarios as (unintelligible) now a very few and very large and very less numbers (unintelligible) risk analysis and risk analysis (unintelligible) when a third of the fee is to pay the risk of the process.

And it was a commitment with the community for those applications - for those that decided not to (unintelligible) a commitment (unintelligible) the process should be (unintelligible) so that it will not affect the budget of ICANN and the philosophy was that we should have two different budgets. The normal budget of ICANN and for that you don't need the scenarios and the (SIP) budget for the for all the process of the new gTLDs and which will have not the same dates.

The ICANN budget is an animal - animal budget - this budget completely different it's a budget for the process and it may take two years or three years or whatever. And I fully am going to take all this time this week and go to all the opportunities to repeat this because I insist that we could it's not workable. We are - in the commitment we have also - we have to show how we're going to spend every cent of this and if you put that in the general practice you will not be able to (sow). I was hearing this day people say, you know we are going to receive half a billion dollars and then (unintelligible) so all the interest of that and ICANN a lot of money to play but I have reservations we are ICANN committed with a different game.

Keith Drazek: Thank you (Raimondo) - (sure please).

(Xavier Calvez): So where to start, the - I think the commitment that you are referring to (in Mike, he) is exactly what we're working under. If you look at the presentation that we published with the framework this is exactly how to display the information, there is the (unintelligible) that you've known for years there is the new gTLD information - two separate buckets that will continue to be separate and that are only added together at the point where we report our information from a legal entity standpoint, because there's only one facility which is ICANN Corporation but everything in our organization is aimed at capturing information and accounting for and (unintelligible) for it separately.

We have separate bank accounts, we have separate division within the accounting system - we'll calling it a Company 2 and Company 1. Company 1 is ICANN, Company 2 is new gTLD. There is a separate general ledger for each - there's two general ledger's. If there are transactions between the two it's an inter-company transaction with a document, with a invoice, with a payment just as if it would be two different companies. It is not from a legal entity standpoint, but we are structuring the capture of information and the

accounting of information, reporting of information so as to be able to do exactly that.

The - well so then in the presentation of information you may have noticed in the framework document that okay (unintelligible) January 17 on the Web site. In the framework document you will see that we provide a multi-year view of the new gTLD application process, not jus (unintelligible) view to your point. Third comment, it's not entirely separate - I'm sure you guys understand more than anybody else that if we receive 300 applications or if we receive 1000, the number of applications that will turn into delegations and could potentially affect 2013 core operations from ICANN is different.

Let me take an example, if we receive 300 applications or if we receive 1000, we will have a number of those applications that will generate a delegation potentially towards the end of the year, it's possible technically speaking as (unintelligible) process. Now these delegations there is going to be a contract, that contract needs to be written by sources that we need to have in place. If there's 50 or 100 contracts to be written, it's not our four lawyers who are working their - pardon my French, their asses off today that are going to be able to write 60 contracts.

So we're going to have to bring in resources that has a (cuff) so we're formulating those (cuffs) into core operations of the ICANN budget which is completely separate from the new gTLD application financial. So there are implications from one to the other in terms of the number of scenarios, you see what I'm saying. And we're trying to formulate as detailed as we can which is not easy, what are going to be the impacts on the ICANN core operation functions, but there is sizes of the new gTLD application process.

One very simple example last month close to my heart in the finance organization if we have half a billion to manage because there's going - has been 3000 applications and 3000 applications everyone knows is 550 billion approximately right, or you have 500 applications which is 92 million, it's not state's requirement in terms of managing that cash right. (If I'm) going to have finance needs that are completely different for resources if it's 550 or if it's 90. So there's lot impacts so it's not entirely different, they all (unintelligible).

Keith Drazek: Thank you very much, let's move on to (Jonathan) and quickly if possible, thank you.

Jonathan Robinson:All right thank Keith, it's Jonathan I will be brief. Xavier, it's very good to hear the progress because when we talked on the original teleconference that this scenario planning structure that you describe today wasn't evident, so that's a significant improvement and I really appreciate that. You talked about linearity of revenues and potential non-linearity of costs and I did hear that.

But the one question I have for you is to what extent are you able to or do you feel you are controlling - my slight worry is that these are all just inputs given to finance and I wonder who - to what extent do you feel able and particular on the cost side because that's clearly where you have to be influence to control and manage those costs and ensure they are as if you like to be very brief as non-linear as possible.

(Xavier Calvez): So I'm not sure we necessarily want to have them as non-linear as possible, we want to have them - I don't want to be too mathematical, but as linearly as possible going down as an average, right. So what you're doing is we have been working on RFPs with vendors to - the type of companies that are going to the panels to review the applications, we are - just as an example of what

we're trying to do to address one of your points, we are (relegating) a framework agreement with those vendors.

You're going to process applications, you have a starting cost per application because that's what we've asked them to provide, we have two or three vendors who are going to do the same thing. We're going to each of you provide to you a batch of applications to process at that price. We're going to see how you guys process those applications and then we're going to allocate on the basis the quality of application process - I'm sorry of the review process, on how well you do it, on what your actual costs turned out to be - (how working it).

I don't see the next set of 100 applications and I think change the mix between you three vendors depending upon who's charging me less and who's doing a better job, so that we force throughout the process them to be doing a better job, more efficient job and a cheaper job for us and that's how we're going to try to drive the cost sit down. Because if we tell them what is your price for 1000 applications and go and do it for a year these guys going to get fat quickly right, because their effect of experience is going to let them be more efficient.

I won't benefit from that efficiency, so that's how for example we've tried to attack the variable costs. Now the non-variable costs are (unintelligible) costs right, so there's a little bit of an effect of - the word in English is escaping me - of skating. So for 1000 applications I need one person doing one task, whether it's 500 or 1000 it will be about the same. Then when I go to do the (unintelligible) you need two persons, so the fixed costs are fixed within a given range right.

Now those costs are relatively limited, it's the new gTLD team, it's the finance team, there's some of that - but we believe that we have the ability to only scale marginally the resources that are like, you know, an accounts payable person for example. If we have a lot applications, you know, they were not all happen over time right, so I'm not sure we're going to need to scale ourselves up proportionally to the number of applications (unintelligible).

Keith Drazek: Thank you very informative, Jeff last question is yours.

Jeff Neuman: Yes I'll be (quickly more) brief, on the initial cost for the $185,000 were projected, it was the cost for cover based on I guess an estimate of 500, now that we've - if it comes out to a lot more you already talked about the costs, some of which are going to increase, some of which are fixed, certainly there's going to be a fairly large surplus if you've got 1000 or more.

The question then becomes what kind of concerns and how are you addressing the - or I guess how are you correlating that to your nonprofit status and are you preparing regular auditors for the fact that this is a one-time bump to not put in danger your nonprofit status? And the other thing is - well I guess we'll stop there because we have other things.

(Xavier Calvez): So the notion of its surplus is obviously speculative on the basis of several parameters. The portion of the fee is aimed at covering historical cost right, which there has been an assumption of what they are. Those are, let's call them fixed - so there is a notion as for which if that bucket of money is a given number which we're trying to finalize, but I think there's been a number of numbers put forward which we will finalize (application) of that.

But beyond that (different) application that cover those historical fees with a (25K) that's a logic to it, there is a potential surplus depending on of course

what the number of applications is. But it's - I think it will be significantly more than 1000 applications before we get covering the historical costs, because costs I think the exceed it.

Jeff Neuman: But I thought your historical costs had stopped at the point that no, no, I thought histor- when they calculated what the costs was in the history, they stopped at the point that they presented that when they initially proposed $185,000 fee, it wasn't supposed to be that everything after that was also accumulated into historical costs.

(Xavier Calvez): And I don't have that that background, so I'll have to recheck what's been said.

Jeff Neuman: Right, that's actually kind of important to me because we did not want ICANN to keep considering every single cost up until the day you recover your money as being "historical costs." But if that's (our case) and I think it's a very big change from what we all understood...

Keith Drazek: So it sounds to me like that might be an opportunity for formal question inviting ICANN - to have them addressed that.

(Xavier Calvez): (Unintelligible) re-verify so I want to (unintelligible) communication has been on the subject because I don't have that background. So then the notion of service whatever the threshold is, the surplus if there is one is - and I wanted to circle back on the question of the other person at the same time, from what I explained how (tracking) the surplus will stay on the new gTLD application process bucket right. See it's not the resource for ICANN from the core of it.

Jeff Neuman: Yes okay but that doesn't change anything to the fact that it's segregated, it's not - I'm not going to decide to do whatever I want with these funds right. It's

going to be a community discussion supported by staff to determine whatever happens with the surplus of application process.

(Xavier Calvez): It's accounted for within the legal entity of ICANN, but everything has been put in place over the past years and certainly until now that I can see to ensure that there is a (very clear) segregation between the two. And therefore the mechanism of the repayment of the historical costs has been established to your point. In order to do exactly that - to only allow the very specific and defined amount of money to pay back historical accounts to the core operations of ICANN, because there is that segregation and that's the only mechanism to which there is that potential repayment that everything else is completely segregated.

Keith Drazek: All right thank you, I really hate to cut this off so let's thank Xavier for joining us today, I really appreciate your time.

(Xavier Calvez): Thank you for the opportunity to come in and speak with you.

Keith Drazek: So just a couple of housekeeping notes here, we do need to move into just a think now a brief discussion of our prep for the discussions with the Board, but I wanted to note for the folks in the room that once we begin our meeting with the Board that it will be a closed session, so it's not a surprise to any of our guests in the back. It's limited to registry stakeholder group members and observers, so if anybody who doesn't fit that description by 1:00 o'clock we need to have the room cleared.

Man: And Keith you ought to be clear that observers have an official meaning in our charter.

Keith Drazek: Correct, so the official observers of the registry stakeholder group who have applied and been accepted and paid $500, so thank you for that.

(Cherie Stubbs):   (Unintelligible).

Keith Drazek: Okay hold on everybody, I've been corrected by Cherie, thank you that we're actually not going to be in this room, we're moving to (Lapaz C), so let's get into our conversation here and then make our move in five minutes.

Man: Keith as a suggestion, what I would suggest is we very quickly see if there are any agenda items with the Board that we can eliminate...

Keith Drazek: Yes.

Man: ...for example, vertical integration is one that they've responded to now. Is there any - any additional questions that we need to ask the Board on that? And it's okay if there is, but let's just find out.

Keith Drazek: Yes, go ahead Carolyn.

Carolyn Hoover: Yes this is Carolyn, I was wondering whether it was the Board had responded or the staff had responded. So, you know, would it make sense to get any Board read on that?

Man: I'm okay I think - what you just need - somebody just needs to set you up. If you still want that on there that's fine with me.

Man: It's a little pushed for timing right, we've often seen staff come out with the letter and then it gets lost and, you know, we're committed, we want...

Keith Drazek: This is Keith I think the right approach is to acknowledge receipt of the letter, thank the Board and staff for their work on it and then to very briefly say that we really look forward to a more specific timeline, that this is an urgent issue, etc., etc. Would anybody in particular like to take that on? I'm going to have to do it if nobody else does, but I want to offer it. All right I'll do that. Next issues - what else do we have - okay need for (to implant) WHOIS review team recommendations, we still don't have a decision within our stakeholder group about how we're going to vote for that right?

(Joe):   Sorry which one?

Keith Drazek: WHOIS review team recommendations, it doesn't specifically say (thick) WHOIS, but I think that's one implication.

(Joe):   I'm sorry I'm lost now, say that...

Keith Drazek: One of the topics for discussion with the Board, Number 2 - need to implement WHOIS review team recommendations.

(Joe):   Yes you're correct, sorry this is something totally different. Okay, what that is basically to make it clear that we expect that the recommendation to the policy could to come back to GNSO and they're not acted upon by the Board without coming back to the (GNSO).

Keith Drazek: Got it, will you take that one (Joe)?

(Joe):   Yes.

Keith Drazek: Okay.

Chuck Gomes: And this is Chuck, my understanding is that that was a statement and if the Board wants to react they can, is that right?

Keith Drazek: Yes.

Chuck Gomes: Okay.

Keith Drazek: Next is the number three confusingly similar strings, our position is that this should not block IDM versions of existing strings, who would like to take them one?

Man: Okay I'll take it, and Edmon can jump in if he wants, okay.

Keith Drazek: Okay.

Man: Fine.

Keith Drazek: And since the vertical integration issue will hopefully be brief single character IDMs in the first round Edmon, thank you.

Edmon Chung: All right, yes.

Keith Drazek: Yes - Number 2 RAA negotiations, is there anything we really want to talk to the Board about regarding the RAA negotiations?

Man: Yes, is there anything that we really haven't heard already these last few days?

Keith Drazek: I suggest unless there's strong feelings that we just remove this one.

Man: Okay.

Keith Drazek: And then Number 3 would be the CEO search.

Man: I think that's fine and it's mainly just any update that they can give us, but there's a - keep in mind that they have a topic too. It's the same one that was given to the GNSO Counsel and I'm blank right now with regard to what that is.

Keith Drazek: It was the implication of new gTLDs and the expansion of new gTLD's on ICANN's existing structure right, or in the medium-term I think paraphrasing, it's like what do we think the implications will be and the impact on ICANN and our stakeholder group etc., on expansion of the gTLDs.

Man: We might want to identify two or three people that can talk to that - somebody ought to talk to the fact that we have been preparing for that for a couple of years, so it's not as if we're starting from scratch.

Keith Drazek: Okay, is there somebody (unintelligible) the amendment to the bylaws? All right, I'll take that one. Anything else Chuck?

Chuck Gomes: On that particular topic we probably ought to - I'm sure they're looking for some more things in terms of how do we see the landscape changing, and of course with registries we see it changing a lot. In fact we're already seeing it changing; in fact it is appropriate for one of our observer members to speak there if we're okay with that. Because it is going to change and then we should address something - I think they know all these things already, but the other issue is the mix of stakeholders - the cross stakeholder group participation is going to be a new issue and a new dynamic that we're going to deal with.

Keith Drazek: Okay thanks Chuck.

Jeff Neuman: You know, far be it from me to inject controversy and do any discussion with the Board, but there were some pretty harsh words said yesterday by (Rod) regarding, "the influence that's being bandied about." And I suppose what I would have to say if I had the opportunity and I don't mind making this statement myself, is there was some comments made about the nominating committee about the process about the way that ICANN is living in somewhat of a pervasive environment where this - and I'd like to find out if that's the Board's position. You know, I...

Man: And - go ahead Jeff.

Jeff Neuman: Yes.

Man: To expand on it, basically it was a statement by (Rod) that said that he doesn't believe that anyone with any financial interest should ever serve on the Board of ICANN - meaning that they'll never be a registry or registrar on the Board of ICANN if his view prevails. I'd like to know if that being the case, who will ever have the experience and know you're in contracts with us, how to deal with that. I mean without that experience you are basically flying blind.

Man: That one - and one step further in implying that process would be exactly the same with respect to the nominating committee. So what he was really saying his registrars, registries, contracted parties should have no say at all in the composition of the Board, the this works or anything like that, and I just, you know, (sit down).

Keith Drazek: And, you know, I think it's an important - also important to note that those are the views that (Rod) not necessarily the whole Board. It's certainly I think

worth raising as a concern about something that we heard. (Jonathan) last word and then we need to go.

(Jonathan): Right, well I just think we should speak strongly for the Board recognizing or at least for supporting them in having a degree of industry expertise and competence in and around the Board. Because the Board is often being asked to make decisions while all of us will have the fullest of respect governance, we need to be sure that the Board is fully qualified to manage elements of this industry and have the insight into it.

Keith Drazek: I completely agree and good news, I've been informed by Francisco that the Board is running ten minutes late, so they're expecting us at 1:10...

Man: Oh that's...

Keith Drazek: One ten and (Lapaz C), so why don't we just wrap this up for a few minutes and then maybe take a quick bathroom break.

Man: That sounds good...

Keith Drazek: Chuck that's him?

Man: Yes, sorry I can't.

Keith Drazek: And then Edmon.

Chuck Gomes: And I just - on the issue with regard to Rod's comments, I'd love to have a chance to respond to that.

Ken Stubbs: The other thing that I would like to do I'd like (reinforce) as a matter of fact I'd almost want to nominate (Jonathan) to make a comments because the way you put it is, you know, we are expressing serious concerns about the fact that there needs to be that institutional knowledge on the Board on the impact and the effect of Board policy and Board decisions on the operations of the groups that they're responsible for...

Man: Ken thank you very much, I appreciate you saying that but I think I heard Chuck just volunteer to say that - was that correct or not?

Ken Stubbs: I don't think it's for both of us to talk to...

Chuck Gomes: Sure why not, I'm happy to do that.

Keith Drazek: Okay so just to recap everybody very briefly, we're going to talk about - very briefly about vertical integration, I'll take the lead on, PDP on WHOIS' review team recommendations, Jeff; confusingly similar strings, Chuck; single character IDM's, Edmon; CEO search - did anybody take that one? Well I'll sort of kick that off, but I don't expect that will result in a lot of detail. And then the final thing and not necessarily in this order is the question that was posed to us by ICANN - the changes to ICANN from new top level demands.

                 I think we don't want to necessarily leave that to the very end, maybe defer to them how they'd like to handle that as well. Francisco also just told me that according to the schedule and apparently the way that it was in Dakar is that our meeting with the Board is going to be an open meeting not a closed meeting as it used to be, so will be open.

Man: Okay, all right so - sorry (Tim) go ahead.

Tim Switzer: Hi Tim Switzer, .Green, would it be worth as just kind of - not a discussion item but just in the last couple of days you've heard a couple of times Steve Crocker say he wants to stick to the schedule for new gTLDs not delay April 12, would it be worth having a kind of this group kind of endorse that and back that and say we feel that's an important thing to stick to the schedule because that's something that we think would be worth doing?

Keith Drazek: Thoughts, (Jonathan).

(Jonathan):   Yes I mean (Bruce) reached out to us and offered to meet the stakeholder group and we had a discussion with him and we touched on this topic and I mean I think his view was that the Board was unlikely to deviate from that course unless it had strong representation from the community to do so. So to that extent, it might be useful to endorse the timetable if that's what we feel strongly about.

Keith Drazek: Does anybody think that that's inappropriate or not appropriate?

Man: I think it's correct (in response time) as (Bruce) indicated, the Board was (testing).

Keith Drazek: Okay, great. All right I'll wrap up with that comment.

Man: Okay.

Keith Drazek: Thanks everybody and 1:10 over in La Paz C meeting room.

END