STEVE CROCKER:	Please take your seats. Stop doing all that useful interaction and sit down so that we can talk.
	Welcome. This is the session for the noncommercial -- sorry, the commercial stakeholder group in the non-contracted party house -- did I get this right? There will be a test -- interacting with the ICANN board.
	Marilyn Cade and I are co-chairing this session, which means that I'm going to shut up and Marilyn is going to be completely in charge.
	[Laughter]
	Sitting to my right, Rod Beckstrom and Bill Graham on the board, one of your appointees. I guess the fine-grain structure is that he is your appointee in the sense that they come from different houses. Once we get on the board, we don't pay too detailed attention to things like that.
	I have a number of other ICANN board members here sitting mostly in this area: Katim and Cherine. If I'm missing anybody? Gonzalo hiding in the back row and George. Oh, Sebastien, Bertrand. Thank you.
	We're here -- there is a jointly constructed set of topics which I'll read through quickly and then turn things over to Marilyn to synthesize and guide us through this.
	So topics that were suggested from you all: Ethics and integrity, new gTLD implementation issues consisting of communications plan and the JAS working group recommendations, how new gTLDs will affect the board's goals in GNSO restructuring, and other current issues in new gTLD implementation, and, finally, ICANN working with community of stakeholders on external challenges.
	Suggested topics from our side, with respect to the CEO search, what qualities do you think we ought to be seeking in a new CEO ethics guidelines, top three issues for the commerical stakeholder group for ICANN to address in policy development work, and what are the top

three messages for the commercial stakeholder group do you believe ICANN should be conveying with respect to new gTLDs.

With respect for our current CEO, let me ask that we put the CEO search question at the end and Rod can excuse himself and leave us to have a frank and open discussion of anything we want there. Thanks.

Marilyn?

MARILYN CADE: Thank you, Steve. I'm joined at the table by the rest of the CSG team, Brian Winterfeldt who is chair designee; Steve Metalitz, the IPC joining us this morning -- in Steve's stead, Steve is probably on the line participating with us remotely regardless of how early it is -- and Tony Holmes, who is the chair of the ISPs.

The CSG has chosen to share the chairmanship across the three constituencies rather than having a top-down, rigid structure. We feel it is working very well for us, and we find the collaboration in particular is strengthened because we do our work together on setting the agenda for the CSG.

We do not make policy decisions jointly, and I think that's an important point that we want to continue to reinforce with you. When we decided to collaborate on a policy decision, it is an individual decision each time. And it is renegotiated each time. So contrary to what you may read in the APC publication that alleges otherwise, we ask that you understand the facts as we present them.

Secondly, I'm making a formal presentation to the chairman of a document that we hope that you will find very helpful in explaining the complex layered structure of the GNSO. The GNSO is a supporting organization. It is not a council. The GNSO has a council, and by bylaws that council is responsible for gTLD policy. So we'll leave these to be distributed to the board. And there is an insert in it that has the current officers of -- the councillors that have been newly appointed or elected to the GNSO Council and the officers of the organization.

We're very pleased to have this opportunity. As you all know, we used to have a breakfast with you and we had informal discussion. Recently

we've moved to a more formalized dialogue. And we are getting tremendously positive feedback about it.

We are going to go immediately to the questions. One of us will make a short statement about the topics. We will then turn to our members who are in the audience because we'd like this -- we'd like you to hear from them as much as possible. Since we're moving the CEO search, I assume we are going to start with ethics. That's good news because that's my topic.

[Laughter]

Thank you, Steve, for doing that for me. I spend a lot of time thinking about what I was going to say to all of you about ethics and about what epitomizes ethics and integrity at ICANN. And something came to me about 24 hours ago, Steve, that I was really struggling with what I was going to say that would move all of us to a single place to talk about -- because when I had seen the discussion about conflicts of interest and recusals, I didn't quite think that got to what I thought about when I thought about ethics and integrity at ICANN.

I will preannounce that the business constituency has already decided to launch its own internal examination of ethics and integrity in the BC, and that is because we are going to be dramatically impacted by the potential entry of numbers of brand registries into the root.

We don't know how that will go, but we do know it will have an impact on us. So we're going to have our own discussion about it. And we have taken that decision in the BC, and we will be launching a discussion.

About 24 hours ago, I was thinking back to why I became involved in ICANN, which didn't exist at the time. And a name came to my mind. I think for those of you who are new, this might not resonate. But for those of you who have been around for a long time, when you type "Jon Postel" into any tool bar, the image of ethics and integrity is epitomized by the functions and the integrity and the ethical commitment that Jon personified in how he fulfilled his duties.

From my personal perspective, I am looking for us to develop a DNA about ethics and integrity that makes us -- that makes us, not that we say it, but that makes us the leader in this area, which is a new area. We are acting as the surrogate for a regulator of managed space. We're doing many other things at the same time.

So I can't say that I think we know what the answers are to the questions that you ask us, but I think I can say that within the three constituencies, the topic of ethics and integrity is beginning to consume our minds and our dialogues. And we have lots of questions about how it will happen and about how we will contribute to it and how the community broadly will embrace it.

It's impressive that in conversations we're all having with you, we're hearing you reflect a similar concern. And I think at that point, I will pause and ask if anyone in the constituencies wants to make a more detailed or focused comment about where we might go and how we would develop that leadership model and implement it. But to me, I think that anyone who thinks back to what Jon expected of himself and others, it was the utmost in ethics and integrity. It wasn't just avoiding a conflict of interest.

Do I have commenters?

STEVE CROCKER: While you are thinking about it, let me offer a comment. Jon and Vint Cerf and I and handful of others were fortunate enough to be part of the original team at UCLA that put the first note on the ARPANET and laid some of the foundations for the growth of the Internet.

I started the RFC process and after a couple of years took a job in Washington. And as I was going out to the door, I turned it over to Jon. The next time somebody needed some numbers or names to be kept track of, it just naturally went to Jon. He is doing a good job. Let him keep track of this and that and so forth. That grew into the IANA function.

Jon was very mild mannered and unassuming. He could be firm and he was very insightful and he conducted himself, as Marilyn said, in a fashion that just embodied a huge amount of trust. And that was the way that all of the functions that we had come IANA functions came naturally to his very small operation, not that he went and sought them.

And I completely agree and very strongly want to see ICANN in a comparable posture, where there is a very high level of trust and where the work that we do is appreciated by the people that we serve; and that any functions that we do, any functions that we might take on in the future, come not because we go and fight for them but because we're the natural place and people who are being served choose that we're the organization to work with.

That is the utmost in legitimacy, and that's the standard that we ascribe to. I completely agree with you.

That said, the world is even more complicated than it was then. And it was not uncomplicated in Jon's time, but it is considerably more so now. So the challenges are real. This multistakeholder model means that we have people who have financial interests and who are major players and not so major players even in the business aspects of what has created the growth. And that is a feature, not a bug.

If we want to change that in my material way, that's a whole different discussion. So we have some complicated waters to navigate here. That doesn't mean that there's -- that we can't do it. I think we absolutely can.

We're interested in inputs. It is not just enough to ask the questions or to indicate concerns. So one of the key things for a session like this is don't hold back and don't limit yourself to saying we're very concerned or what are we doing about this. Share your ideas.

MARILYN CADE: So I'm going --

OPERATOR:	Excuse me, this is the operator.

MARILYN CADE:	Sorry. I just wanted to mention that we are getting e-mails that the audio bridge is not working.

OPERATOR:	Hello, Excuse me, this is the operator.

MARILYN CADE: It's come up. I'm just going to make one quick comment. When I was on the President's Strategy Committee, we did examine a couple of concrete suggestions. And I will restate them, not to dwell on them. But I will restate them. One was the idea that the board needed an independent advisor that could help them deal with the questions of what it means to act in the public interest and the decisions they make; that is not responsible for the health and well-being of the corporation but has independence in that role.

The second was that there needed to be an external review system which was not dependent upon the board themselves. I'm not going to go into those. You asked for some concrete ideas. I think there will have to be a process by which people can better develop ideas and then contribute them.

But I'd like to go to a deeper discussion on how the major changes in the face of the worldwide Web, that is the introduction of massive and different gTLD -- massive numbers and different gTLDs; and, to be realistic, acknowledging that for the first time in history we may see failures in gTLDs over time or closing for some reason.

What is that going to mean to the organization and what is it going to main in the suborganizations when the players may wear multiple hats while today we try to -- we have built an organization with checks and balances because of the differences between the groups.

And I think it would be good to just talk a bit more with some of our players, maybe someone from the IPC, Brian?

BRIAN WINTERFELDT: So on behalf of IPC, we do think it is an important topic for everybody to be thinking about. And I think it is on a lot of people's radar already. We know that there is going to be really a change in the face of the players, and I think people are going to be crossing constituencies more and we're going to have to all be very thoughtful from an ethics standpoint about what that means and how we're going to structure our individual groups and how we're going to deal with some of these issues as they arise as brand owners become registries and lots of other cross-ownership issues and cross-constituency issues are going to come to the front.

MARILYN CADE: I know we have Phil Corwin from the BC who would like to make a comment. Do I have any other speakers that want to raise their hand? And I have Bill Smith from PayPal. Let's do Phil if we can and then Bill.

STEVE METALITZ: This is Steve Metalitz, can I get in the queue also, please?

MARILYN CADE: I will tell you what. I will put you in the queue between Phil Corwin and Bill since we can have an IPC speaker that the chair of the IPC will speak after Phil. Thank you.

PHILIP CORWIN: Thank you, Marilyn.

Philip Corwin speaking in an individual capacity. And I think as many of you know, I wrote a long article on this subject which I published at CircleID where Bruce Tonkin was kind enough to post two responses to that. I'm a strong supporter of ICANN and its multistakeholder model.

My article was prompted by an August story in the "Washington Post" which was -- I think raised a lot of questions. We all know there is a much bigger community out there which doesn't really work within ICANN and understand it. And there is a lot of challenges before ICANN.

And rather than repeat what's in that article, I don't have specific suggestions for what your conflicts of interest policies of code of ethics should say. But what I did suggest in that article, I think it is very important to engage the support of a highly respected and expert group in ethics to look at ICANN's unique model and extrapolate from both public and private sector ethics rules to come up with suggestions for a code and conflict rules. I think it is very important, whatever they are, that they not be hair splitting; that the most important thing is to go beyond purely legalistic interpretations because the key thing is to avoid the appearance of conflicts and self-dealing to the outside world.

And I'm encouraged by Bruce's comments at the article that that path is going to be followed by ICANN and getting that kind of input from an expert source. Thank you.

MARILYN CADE: Steve?

STEVE METALITZ: Yes, thank you.

Steve, you asked for some specifics, and I would encourage you and the other board members to look at some of the comments that were filed in the last public comment period regarding changes to the ICANN bylaws. This just closed a few weeks ago.

And some of the specific issues you'll see there, I'll just mention three. One which has actually been proposed several times going back at least four or five years is that directors who are recused from voting on a particular matter also should be recuse themselves from the debate or the discussion within the board on that matter. It can be very unseemly

for someone who is so conflicted that they can't vote to actually be advocating within the board on a particular topic.

The second question is what's been called the revolving door issue which goes to should there be some restrictions on business dealings with former ICANN officers or board members. And then the third is whether there are circumstances in which the board itself is not really in a position to be an impartial arbiter of conflict situations and may need to be guided by some type of independent review. So those are just three topic areas. Obviously there is a lot of complexities in there. But I would certainly encourage the board given the very high local, which I think you're hearing, of concern about this and as a couple of speakers have already noted concern in the general public -- or the broader public, I think it would be important for the board to make a very clear statement with some very aggressive timelines about addressing these issues. Thank you.

MARILYN CADE: Thank you. Do you want to respond?

STEVE CROCKER: Let me say thanks and we are working as aggressively as we can. Bruce Tonkin is chairing the Board Governance Committee, has taken on all of the review of our ethics and conflict of interest activities.

Bertrand, you put your hand up? It is a question of how you want to manage the time here.

MARILYN CADE: I want to hear from Bertrand. Should we take Bill's response and then come to you, because you may want to bundle your response? Is that all right with you? And then we will go to a new topic. Or do you want to respond to this? Bill, can I come to you and then we will go to Bertrand.

BILL SMITH:	Bill Smith with PayPal. The suggestions I would offer would be to move quickly on this. As an example, many of us work for businesses that have commonly called standards of business conduct. They address many of these issues. If ICANN doesn't have one -- I searched the Web site, I couldn't find one. That doesn't mean it isn't there. But to adopt one, there are many such documents out there to use.
	I also like the suggestion of bringing in some experts potentially and there are a number of other organizations in the standards development arena that have ethical guidelines or similar things around conflict of interest, et cetera. And I would suggest looking to those for material and to get some policies in place quickly, even if they aren't perfect.
BERTRAND DE LA CHAPELLE:	Hi, everybody. Just a general remark that a large part of the issues that we are seeing emerging now are triggered by a significant transition that is brought by the new gTLD program, which is significantly moving the responsibilities of ICANN into a territory where the regulatory function or the portion of quasi regulatory -- and I use this word with great caution -- this quasi regulatory role is bringing increased attention to those issues. And I just want to first say that the board is extremely aware of this, that, in particular, we are paying attention to the distinction between conflict of interest when people are on the board and debate about whether there should be or not a notion of a revolving door policy.
	I don't want to delve into this and just highlight one question to your community and raise an issue. The issue is the following: The multistakeholder model is based on the participation of people who are coming from all the different walks of the space dealing with domain names, from the technical to the business, to academia and the rest. And one of the qualities of the composition of the board is to have people who come from those different parts. We are really struggling altogether with a problem, which is the following.

If we push, for very good reasons, to the limit the notion that people should not participate in the vote, which is obvious, that they shouldn't participate in the discussion, then we get to the point where ultimately either we nominate people who precisely do not come from those communities, which means that we lose the competence, or we have problems of quorum or we have problems of just having a lack of expertise in some of the discussions in the board.

And so I'm not saying that there is an easy solution. One thing I want to ask and throw in the debate, as I've done in the previous interactions with ALAC, for instance, is: Should we envisage or take into account the practice that is done in things that have to do with regulatory functions, which is should we go as far as envisaging that when people are on the board, they are exclusively on the board, completely independent, and have no activity anymore during that period with the entity that they were coming from before? That's a very big change in the model and I'm putting it provocatively because there is a logic into this, but it is a big choice.

The second very quick question, one-liner, is: There is an obvious impact of the new gTLD program on the structure of the GNSO and the two houses and so on.

I don't want to open the question here. My question is: Where and how should the community as a whole and the GNSO constituencies discuss this potential impact, and what kind of problems it might raise. Should there be an exploratory group? Should we have a -- one open meeting at the next session in Costa Rica just to float the different questions? Should it be another process?

But we cannot go forward and not try to anticipate what kind of impact it will have.

STEVE CROCKER: Thank you.

MARILYN CADE:	Just before we go to the -- you recognizing the two board members, I'm just going to say something very quickly.
	At one point in his career, Jon Postel turned a large part of the Internet off. At one point in his career, Jon Postel turned a large part of the Internet off as a test.
	No one mistrusted his motives. And I just want to mention that as an example of, again, what we need to be aspiring to, whatever rules we establish. There was an action that someone took that caused great distress and anger and frustration and anxiety and I could go on and on, but no one actually ever mistrusted his motives. Just as a point of reference.
	And I think you had Cherine and...
STEVE CROCKER:	Good. Just to slightly correct her, I don't think he turned off a large portion of the Internet, but he did, in fact, take an action that caused a lot of concern. You're right.
	Cherine?
CHERINE CHALABY:	I mean, listening about the ethics issue and revolving doors issue, and a lot of the suggestions made, it seems to me that certainly if we adopted a lot of the suggestions -- and I'm really thankful for Steve Metalitz for pointing out those three suggestions -- that what we are doing is tightening, improving what we have now.
	But Bertrand brings a good question, and Marilyn just mentioned -- you mentioned the world where acting as a surrogate for a regulator of a managed space.
	Is it time for us to rethink what are we. Because if we are a regulator -- okay? -- then I think the constitution of the board and the time people spend on the board, you look at it from a completely different angle than just what we're saying now, let's improve on what we have.

So I think at a point in time we need to address this fundamental issue, and facing it, right?

Are we just ensuring the stability and security of the DNS system or are we a regulator of a completely new space? And if we are a regulator, we have to do something different.

STEVE CROCKER: So I'm not a lawyer and I don't want to try to play one here, but I have listened to John Jeffrey repeatedly on -- on this, and while I'm empathetic and -- one of the things that he points out regularly is that regulators are -- have power of law and authority far greater than we have, and so trying to map the concept of being a regulator exactly on to us has multiple aspects to it and it would not be just as simple as changing what our rules are with respect to who serves on our board or our behavior. There would be other requirements that would change. If you wanted to have an exact map. And if you don't have an exact map, then you have to ask: So have you got a complete solution to the problem or have you only changed part of it and not gotten all the way to a proper form of regulation.

This is not the right place to do all that, but that's just a caution.

KATIM TOURAY: Yeah. Thanks very much. I actually have been doing a lot of listening on this issue. I mean, I think I can say that this is the first time I'm actually saying something in public about this matter.   And it's been very interesting, listening to the debate.

And I think we are talking about this because of the simple reason that we are a multistakeholder organization. You know, when governments sit down at the United Nations Security Council to debate issues that affect our lives in much more profound ways than the Internet, for instance, I don't hear anybody talk about conflicts of interest before the board -- before they vote to either bomb or impose sanctions on some country, because they're all governments. They all know exactly the

reason why they are there, and that is to protect their own self-national interests.

Similarly, I don't imagine that if a chamber of commerce meets, anybody has any doubt as to why they are there. They are there to protect the interests of their members whose primary purpose and sole purpose is the profit motive. Everybody is clear on that.

But when you mix all those, then you bring in that notion that Marilyn was talking about, and I think we've all been talking about here. That's the notion of what is the larger public interest? What it is in there that is over and above the interest of all of us.

And this is where I think the conundrum is.

And for that reason, I think we have to understand as we move forward with this dialogue that we are talking about an organization that's fundamentally been transformed from what it was just barely five or six years ago, or even 10 years ago, when it was no problem -- we're talking about -- I hear all the time talk about when ICANN was a three-person or one-person organization. We're now on the cusp of talking -- growing the organization to -- I hear people say a $200 million organization. That's a fundamentally different environment from what was just barely five years ago.

And I think what we need to do is to really give serious thought to this. They say that to whom much is given, much is expected. Turn it around and say to whom much is expected, much should be given.

We have to really look very closely again at this issue of having the donkey work being carried by volunteers and really see what we can do to make the work that ICANN needs to get done. And done in a manner by people who are compensated and then once we start talking about compensating them, then I think we can actually start raising the bar of what we expect from them, including the ethics. Thank you very much.

MARILYN CADE: Tony Holmes, the chairs of the ISPs would like to speak.

TONY HOLMES: Thanks, Marilyn. I'd just like to pick up on one point that Bertrand made.

You mentioned there's a need to look at the impact of the gTLD process on constituencies. We may be saying the same thing but I just wanted to make the point we need to look at the impact of that process upon the whole way the GNSO operates. And I think that really is required, and it needs to happen sooner rather than later.

MARILYN CADE: And again, I'll just remind everyone that when we say "GNSO," we mean GNSO, which is inclusive of our council. That the other thing that I would just say, because the ALAC is an advisory group that also affects our work, we would need to incorporate, I think -- I think the implications go even broader than just the GNSO. They also address at least the sister organization, the ccNSO.

I think we should move to another topic, and assume we have a lot more work to do in this area.

STEVE CROCKER: We also have some time limitations here that we need to be sensitive about.

We're done in 20 minutes, I believe.

MARILYN CADE: We were -- we sort of created a formulation that I hope you'll accept, and that is, we would like to -- the question we got was: What are the top three issues for the commercial stakeholder group for ICANN to address in the policy development work?

I'm going to kick it off with a short statement.

We have a pretty serious concern about the neighborhood we live in right now. The board made a decision -- I'm speaking in my individual capacity. The board made a decision some time ago to restructure the GNSO and create houses. It's feeling a bit like I live in an unfriendly, if not dangerous, neighborhood. Other people inside my house are having an even worse experience. And it's something the board needs to understand and take seriously.

I would say that whatever the goals were that were developed by the board committee, you -- those of you who weren't here must remember from reading the record, those of you who were here must remember, and others will need to understand, this was an imposed restructuring. In my own view, it has not achieved whatever your objectives were, unless you are satisfied with deadlock in the introduction of fact-based policymaking and the ability for groups to work collaboratively to achieve a common goal.

So that's a big priority for us to be able to address, because we are here to develop, among other things, effective fact-based, balanced policy.

That's my top issue. And I'm just going to go to Brian and then come to Zahid, if that's okay, Zahid.

BRIAN WINTERFELDT: Thank you, Marilyn.

Another issue that the IPC wants to bring forward, and again, we'll just talk about it at a high level, being cognizant of the time that we have, but really the inability to conclude work.

We have a number of topics where we have really been pushing forward and the example we'll bring forward is the RAA, where we've just basically been in deadlock, and we're concerned about the implications that has on the policy development process and the ability for the process to work. And that's something we think the board needs to pay careful attention to and that we all need to think very carefully about.

MARILYN CADE:	Do I have any other of the CSG representatives who want to speak on our top issues? I don't know, Steve, if you wanted to make a comment, but I need to go to Zahid first and then come to you, if I could.
STEVE METALITZ:	Yeah. It's Steve Metalitz. If you can put me in the queue. Thanks.
MARILYN CADE:	Let me do, Zahid, Steve Metalitz, and then Steve DelBianco.
ZAHID JAMIL:	Hi. Zahid Jamil, I'm a BC councillor on the GNSO Council and I'd like to make the point that the structuring seems to have not worked in as far as we're unable to get work done in the GNSO Council and pushed through bottom-up processes which come to the council and then don't go through as the bottom-up process had intended it because there are changes made, one.
	Two, a lot of times the stuff that comes into the council is blocked, just because one house says, "We just won't do it" and there's no rationale, there's no discussion, there's just simply, "Sorry, we're just not going to let this go through."
	Second -- so you're not getting any output.
	And thirdly, in fact, a lot of people aren't, therefore, bringing things to the council as motions because they know what the outcome will be. So there's work that's not going out as output, there's work that's not -- that is not being brought at the council because they know what the result is going to be, and the third one is that because there's no output sometimes, or there's a denial to move forward on something, that in itself is seen as, quote, an outcome, which can be utilized at other forums and places to demonstrate the GNSO is not working so, okay, we will take this up elsewhere.

And so these three different areas are very disconcerting to the structural working of the GNSO. Thank you.

MARILYN CADE: Steve Metalitz.

STEVE METALITZ: Thank you, Marilyn. Just to support the point Brian made, with regard to the registrar accreditation agreement, I think it's not just a concern from us. This actually is shared across the entire non-contracted party house, and in fact -- including the noncommercials.

And in fact, it's very -- if you -- having monitored the meeting between the GNSO Council and the Governmental Advisory Committee the other day, it seems to be a big concern with many governments about the shortfalls in the registrar accreditation agreement.

You have -- there is a paper that was done, apparently at your request, the board's request, by the ICANN staff that presents a possible way of circumventing this deadlock or -- or of achieving some progress despite the deadlock that Zahid so -- expressed so well, and so I'd encourage -- this is -- it was just done a week or two ago under -- over the signature of Kurt Pritz, so I encourage you to take a look at that. There's a lot that ICANN can do without being roadblocked to improve the registrar accreditation agreement on a fairly aggressive time frame.

So I encourage you to take a look at that. Thank you.

STEVE CROCKER: Let me make a couple of general comments. I don't want to comment on the specifics of the controversies on the registrar accreditation agreement or on WHOIS or on any of the other things that I know have been contentious and been deadlocked, but I do want to say something overall about our processes.

It is simply not okay for us to have deadlocks where we just make no progress. That is a recipe for going out of business. We will lose our ability to function and serve the needs of our community.

My view of the -- of the board's responsibility is that although the board is not supposed to go and make policy, not supposed to go and do the work that the individual supporting organizations and advisory committees are supposed to do, we do have a responsibility to oversee that the processes are, in fact, working.

Much of the attention in the past about the board's role has been whether the board is getting involved too much and the board's oversight of the fairness of the process.

I want to make it clear that from my perspective, the board has the additional responsibility, in addition to those, of making sure that we actually make forward progress, and that if we don't, we get to ask the question why not, we get to ask whether or not the structure is broken or whether the processes are being misused.

Another element of this is, to echo some of the things that have just been said today, the people involved in the processes have to feel that they're fair. If the people report that the other parties aren't playing fair, then we have, at least on the surface, a clear statement that something is broken.

Another general principle is that whenever you're running a process and there's an opportunity to complain, and then the complaints stop, that's an indicator of one of two things.

Either the problem has been fixed or the people have given up.

And it's very important to distinguish between those two cases. One of them is a success and the other is a dramatic failure.

So those are -- so I wanted to indicate awareness and sensitivity on my part, and that I intend to keep in the front burner of the way the board spends its attention and its time. I don't want to make bombastic and dramatic statements, but my inclination is that we need to make

changes in the -- what we accept among -- within our organization and set a much higher standard. And if we find ourselves in an ineffective position, that we really need to examine that and change the game.

MARILYN CADE: I'm going to actually ask you to speak on the next topic. I'm going to move us to the next topic because I remember we have a final topic which is our comments about the CEO.

So the final -- the topic we're going to address right now is -- the characterization of the topic I would say is what are the top three messages that the commercial stakeholder group believes ICANN should be conveying with respect to the new gTLDs, so I'm going to kick it off again and then turn to others, and we're going to -- Steve has a comment to make that the BC has developed that I -- I'm going to focus on awareness of the changes that are coming.

The communication -- it's very important to us, in the CSG broadly, that the communications about the new gTLD program focus not only on telling people how to apply or how to run a registry, but tell them and inform them about the changes that are going to happen. The world is going to look different. That's an interesting message. But does it mean much to somebody who doesn't understand that software might be confused a bit or that they won't have the -- they won't recognize the extensions?

Users and registrants are very, very different than wannabe suppliers.

A communications plan about the millennium bug -- Y2K -- educated people that the technical fixes would happen and elevators would work and their clocks would be reset, all sorts of commonplace things about a really -- because there was a lot of hype about what might not work.

We need to educate the users, a huge number of our potential numbers, business users -- massive numbers of small companies around the world do not want to be a registry, but they want to use the Internet and the new extensions to develop e-commerce solutions, to do various other things.

So the communications plan has got to be about building awareness, not just about "get yours now" or what "yours" is, but the rest of the changes.

And I say that because we feel we've said that and said that and said that and said that, and we like repeating ourselves, so we thought we'd say it again.

I'm going to -- I see Sebastien, if that's okay, and then Steve. Steve, you're first.

STEVE DelBIANCO: Thank you. Steve DelBianco. This is for the business constituency, where we wanted to articulate just four areas with the new gTLD program that we think pose the most serious risks to the perceived success of the new gTLD program.

Serious enough that a failure could jeopardize ICANN as an institution and the multistakeholder model. And these have to do with promises that have been made to global governments and stakeholders and businesses in four areas.

First is governments. We told them at IGF, just in Kenya two weeks ago, that, "Hey, don't worry. If you have concerns about a new application that's going to offend national religious sensitivities, cultural, you'll have an opportunity -- multiple opportunities to file objections and warnings that will work things out."

And when I made that assurance, I later looked into the details, and the truth is, government would look at the application that comes in from the applicant and they would read the promises made by the applicant of how they're going to restrict registrants and they might even have terms of use and terms of service they'll impose on registrants.

But it turns out that ICANN, when push comes to shove, won't be able to enforce any restrictions or terms of use if they're not baked into the registry agreement. So here we are telling governments that the promises made by the applicant, you can rely on those promises in

deciding whether you want to file an objection or a warning. They may withhold their warning only to learn later that we can't enforce the conditions that they withheld their warning about. That's number one.

Number two, when it comes to the next billion users, look, emerging economies and the next billion people are -- from many measures -- going to be using other languages and scripts than Latin and English. So we've got to do everything possible to avoid disappointment there by getting new TLDs in underserved linguistic communities.

And please keep in mind that if I want to reach the pan-Arabic market in an Arabic scripted TLD, it really doesn't suffice for me to visit 22 Arabic countries and do 22 different ccTLDs. This is a gTLD solution to a global problem for the next billion. We have got to do more to encourage that. I am so afraid of watching the boards on what the applications are that we're not going to get very many IDN gTLDs. We would encourage you to look at ways of giving incentives or discounts so that applicants will roll out multiple versions of their TLD in multiple scripts. That's the next billion.

The third point is brands and companies that want to try to protect their customers from fraud.

We have told them and designed some fantastic new rights protection mechanisms -- one of the best is the new trademark claims notice service -- that works off the clearinghouse database. But what a shame if it works perfectly, because if it works perfectly, it turns out they can shut it off the day after sunrise.

So we might have a trademark claims system that really puts a stop to cybersquatting only to see that each TLD basically turns it off when they're required to.

So it would be great to find a way to encourage the continuance of stuff that works on the assumption the trademark claims will work.

And finally, number four, again, this is with respect to governments and law enforcement agencies, with whom I believe that breaking promises poses the greatest risk to us.

We were able to design a brand-new registry agreement, including a code of conduct, and it was done over multiple years in a multistakeholder comment process, and we dangle it out there and any new gTLD applicant has to sign it if they want to get a new TLD.

But we didn't take an opportunity to do the same thing with the registrar side of the house. We didn't design a new agreement for the registrars, for new TLDs, and that's a missed opportunity. We've got to move ahead on that.

So look, the BC is on board. We are at the party for new TLDs, and we know that we're going to bake a cake for this party and when you bake a cake, you got to break a few eggs but let's just not start a fire that burns the house down in the process.

MARILYN CADE: Sebastien wanted to say something and we're going to go -- we just have a couple of quick comments, one on the JAS working group. Masa after Sebastien, I'm going to come to you on that and then I'm going to go to Brian for a final comment and then we're going to try to have two minutes, at least, on the CEO. Sebastien.

SEBASTIEN BACHOLLET: Thank you. I will speak in English. I wanted to maybe not answer what Marilyn was asking, but try to build on that. I think you are right, we need to inform the end users, businesses and individuals, at what time -- at one time in the process. I am not sure that we need to do that now. We have -- we have -- we need to -- for the moment, to inform the potential applicants, and we can discuss about what does it mean "inform," but to inform the potential applicant to be able to come, if they want, into the program, but the next step in the communication, when this will be done, will be to inform the end user, whoever business or individual. It's an important part, but I don't think we need to mix the message today, because we were discussing about doing -- saying, "Hey, guys, we have a multistakeholder process to set up the program. We are a good organization because we do well the work." We want to

tell them that we are a good program and they need to be -- or they can be involved, and then we want to inform the end user. It was too much messages and I think we need to concentrate on one point. It's a program today.

But we need definitely to have the next step to inform the end user.

And I am -- I just want to say that the four points Steve raised, we need to take that on board and to see how we -- we can collectively answer, not the board will answer this question. We need to work on that, and I suggest that we collect all those items from all the constituencies and put it somewhere in our "to-do" list, because we can't just say it's here but we don't work on. Thank you.

MARILYN CADE: I'm going to very quickly go to Rod, please, on communication and then go to Masa.

ROD BECKSTROM: Sure. Steve, thank you for sharing your four points, and Marilyn for your remarks on communications.

And on the topic of communications, I want to commend all of you on what looks like an excellent document here.

I think as you know from reading the communications plan, much of the initial focus on the communications plan is making sure that organizations know of the existence of the new gTLD program so they can consider whether they will apply or not.

I think that your observations about the desire and need to share information even more broadly with businesses on future potential impacts is good. And one thing I'd invite you to consider is that we have a number of one-page documents we've put together on different programs, whether it's the strategic plan or new gTLDs, also on DNSSEC.

If you wanted to work together with us on helping to develop a one-pager for smaller businesses you referred to, then perhaps also as

members of so many important small business groups around the world, et cetera, you could help us to get that information out to your networks, because clearly you're -- you have a very significant distribution power through the members in the room.

So just wanted to share that idea and thank you.

MARILYN CADE: Thank you. I think we'll talk more about how we can do that. Masa, may I?

NAOMASA MARUYAMA: Thank you. Because there is a lot of problem about new gTLDs, I think, but the -- the opening of the application period is around the corner, so that the -- I think it's important to talk about the JAS recommendation because it's one part of the implementation of the new gTLD application.

And what we have discussed in the ISPC meeting is that the applicant support -- basically the applicant support is a very good one, but among that, the reduction of the fee for the needy applicant is our topic of discussion this morning.

And the -- our concern is that the -- that kind of system is basically good, but the -- it has the danger of exploiting the system, that the applicant from the developed country just faking them self as from the developing country and exploiting the system.

And what is explained in the JAS working group is, I believe -- I haven't read it in complete detail, but I believe that the -- there's the panel to decide for the eligibility of the applicants for the reduction.

And our concern is that system correctly work or not. That is the very important point, and we would urge the board to think this point very seriously. Thank you.

| MARILYN CADE: | Thank you. I know I'm not going to be able to recognize everybody who wants to speak for which I apologize. In order to have any time about the CEO topic. We really have to go there. Steve has given us four more minutes before everyone has to go some place else. I apologize but I'm going to introduce the CEO topic. I'm actually -- |

| BRIAN WINTERFELDT: | Before we move to the CEO topic, quickly, I just want to state on behalf of the intellectual property constituency that one of the topics we think is very important with the new gTLD is being mindful of the implementation of the rights protection mechanisms that have been put into the guidebook. As everyone is aware in the community, there are a lot of compromises made reaching the one that is have been included. And we want to make sure that the implementation of them goes very smoothly and that we do not end up weakening any of them in the implementation. |

| MARILYN CADE: | Thank you. I'm going to turn to Jeff Brueggeman who is, I think, speaking for ICC in this case. The topic is the CEO search. There has already been a public forum, and thank all of you for that. I made a comment at that which I have agreed to put in writing in more detail so there is no need to repeat it here.

We would like to ask Jeff to say a few things. |

| JEFF BRUEGGEMAN: | I just wanted to briefly provide a summary of the comments they made yesterday which is, first of all, we appreciate the process and the engagement with the community and the transparency in the selection. I think that's a very important and worthwhile part of what you're doing.

I had a few comments on the substantive criteria, really acknowledging the critical juncture that ICANN is at right now and looking for a combination of attributes that can focus on the internal management |

and operation of what is going to be a very complex launch of the new domain name program, the importance of being committed to the multistakeholder and consensus-building process that is the foundation of ICANN and really being able to foster that.

And then, finally, the importance of the external role of representing ICANN to other stakeholders, including governments, civil society and others. And all of those are really, that combination of factors, are all going to be important as we project out ahead, especially what given what we see as a very challenging landscape on Internet governance more broadly as we all heard more recently at the IGF. Thank you.

MARILYN CADE: Anyone else want to speak from the stakeholder -- George, let me come to you. And then for those of you from the stakeholders, does anyone else want to speak on the CEO? Thank you, George.

GEORGE SADOWSKY: Very quickly. The search committee is very interested in hearing opinions of people regarding what the characteristics of the new CEO should be, and we've set up a Web site -- sorry, a mailing list, ceosearch2012@icann.org. Please give us your contributions. Thank you.

STEVE CROCKER: Yes. To say it again, the e-mail address for inputs of any kind in this process ceosearch2012@icann.org.

MARILYN CADE: If I see no other comments, I will make two of my own. And one is to tell you how much we appreciate the opportunity to have this interaction and that we would like to continue to fine-tune it to make it useful to you as well as meaningful and useful to all of our members.

It's an opportunity for us to explain to businesses broadly why it's important to find time and way to participate in the ICANN meetings,

whether it's face-to-face or remotely in order to have these kinds of exchanges. They're really important to us. So thank you for that.

The second thing that we'd like to do is to invite you to return to your historical behavior of hosting us at a social event as the three constituencies in Costa Rica. And we'll be there, if invited.

STEVE CROCKER: Ha, ha, ha. So two comments. I will take the latter one first.

I am now seeing in great detail exactly how complex and how overloaded the scheduling problem is. Just to give you an indication, I have Diane trying to make appointments with me in order to make appointments to meet with other appointment and we can't find time to make an appointment to make the appointments.   And I'm not teasing at all. It is really out of control.

With respect to the interaction here, as noted, this is a different format than we've had in the past. We're very interested -- the board is very interested that these are meaningful interactions that we want to jump into substantive engagements. I think it is clear that we've done that today. We are eager to use the time well, and we appreciate the direct and frank discussions and contributions from everybody. Thank you.

[Applause]

[End of audio]