ICANN Prague Meeting Board / GNSO joint meeting - TRANSCRIPTION Sunday 24th June 2012 at 13:00 local time

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.

Coordinator: Recordings have been started.

Stephane Van Gelder: Thank you very much, welcome back everybody. This is the first afternoon session with GNSO working weekend Sunday and we are now meeting with the Board. You have on your screens a list of topics, both topics that the Board wanted to discuss with the Council and topics that the Council wanted to discuss with the Board.

And I sent just a short note to (Steve) and the Council a while ago explaining that while those topics that are from the GNSO Council, we've had time to discuss as a group, the Board topics we haven't had so much time to discuss as a group and the individual GNSO Councilors will probably chip in on those topics as representatives of their own groups. But maybe not as representative - Council as a whole.

With that having been said, (Rod) and (Steve) here in the room with us and looking around the room, most of the Board, I think, so welcome to you all. Thank you for being with us once again, for taking time out of your busy schedules once again to meet with us. It is very much appreciated.

Page 2

And before we go into the depths of the discussion perhaps I can hand it over to either (Rod) or (Steve) if you want to make some opening remarks.

Rod Beckstrom:

Thank you, Stephane, thank you very much. (Jeff), thank you, (unintelligible). We thank you all for your leader as GNSO Councilors and I'm very pleased to have this final opportunity to speak to the GNSO. Clearly the - one of the policy powerhouses if not the policy powerhouse of ICANN.

And I just wanted to let you know that we all value the exceptional contributions you make to moving policy forward at ICANN. And I think we've made a lot of progress these last few years as you've helped bring shape to the new GTLD program, the largest program by far in ICANN's history and the most significant opening of the domain name system at the top level in its history.

And it's been a very, very exciting time. There's always been a lot of strongly held views and different views within this group and across other groups in ICANN and I think it's really healthy when we look at the - you know, the power of the multi-stakeholder model is the fact that it allows everyone to come to the table, particularly stakeholders as well as others to talk about, discuss, wrangle, and work policies that in the end the Board reviews and make decisions on - based on the global public interest.

And I think that the work that you've done is the demonstrable proof of the benefits of the multi-stakeholder process. And of course, you as a group yourselves are very much multi-stakeholder with the complexity of the two houses and how everything is organized.

I think as we head into (Wicket) this fall the work that you've done at serving ICANN as well because the new GTLD program includes many hundreds of new entities that are applying to operate a top level domain, which is a core registry in the infrastructure of the Internet.

06-24-12/5:00 am CT Confirmation #4684681

Page 3

And that means they have a stake in the game now. The fact that they've

applied and they're getting involved is, I think, going in many ways greatly

serve the support and projection of the continued open unified Internet.

So great - grateful to all of you on that and I'm also excited to see that Akram

will be taking over these reins on Sunday leaving me free, which is - I'm very

much looking forward to.

And Fadi will be joining soon and I fully support both of these exceptional

people and I ask you to please support them as well. It's a tough job to be

CEO of ICANN, it's a great honor, it's also a tough job. And I think that your

support for Fadi's success and Akram's continued success will be vital.

So I ask you to please join me in doing that, thank you.

(Steve):

(Rod), I think you covered a lot in a few words and I completely agree. I'll just

add very briefly, and just to kind of open up with a thank you first taking time

out of a busy schedule. This is our job though we're not seeking time out of

anything, this is the primary activity.

And as (Rod) mentioned, there's some substantial influx coming and - that

will undoubtedly cause some interesting pressures to be dealt with. And just

speaking from the Board's point of view, we look forward to working with you

and working with all of the GNSO to - as things are likely to evolve and to be

as helpful as possible in that process.

Stephane Van Gelder:

Thanks to you both and perhaps just before going into the

(unintelligible) I can just say, (Rod), it has been a pleasure working with you

over the last few years. Thanks for the work that you've done for ICANN.

It's been a personal pleasure interacting with you and we wish you the very best of luck in your future career. So thank you for all that. And perhaps if we can just give a quick round of applause?

Rod Beckstrom: Thank you very much.

Stephane Van Gelder: I would also just like to welcome officially Fadi Chehade who is over there, is being discrete, and say how much we look forward to working with the new ICANN CEO.

With that we can open it up for our discussions. (Steve), I don't know which questions you want to take first but I know which questions we'd like to take first but perhaps you would...

(Steve): We're here to serve and I'm deeply curious as to which is your first - you want to take up so take it away.

Stephane Van Gelder: Okay, so in that case let's start with the GNSO set of questions and we have - I will start with the - because there was a lot of discussion on (unintelligible) so I will start with the second point, how ICANN's communication could be improved, in the light of Friday's URS (unintelligible) and the GNSO Council help.

And we've asked John Berard from the Business Constituency to lead us into that topic. John?

John Berard: Thank you, Stephane, and welcome (Steve), (Rod), Fadi. I think that the first two points really come together as one. I was talking to Stephane a little earlier, I think if there had been one that's already emerged since we arrived Thursday evening it's communication, reminded me of that scene from Cool Hand Luke; what we have here is a failure to communicate.

Page 5

And one of the - the reason this is important to us is because on of the strategic priorities that we have as the GNSO Council is to be more of an ally in communications with the Board because of the role that the Council plays as the - because of the reach that we have into the communities of the GNSO we think that we could be more valuable if we collaborated more completely.

In fact, the benefits from consultation in retrospect can probably be seen pretty clearly.

We think there have been a number of events, a number of decisions that have called into question either directly or by the persistence of reading between the lines of what might ICANN be saying that if there were a more fulsome consultation, a more deliberative relationship that we might be able to be helpful in making sure that clarity is the rule of the day.

And so I would just open it up with that and ask how we can become better partners in this.

(Steve):

Interesting question, there's always room to improve the communication. I guess I would be quite interested in having a set of specifics and so we could take the cases - maybe not in this setting but to work through the cases and how to improve.

I know the list included Friday's - I assume this is related to the canceling of the Friday meeting and communication of all of that.

John Berard:

So I think the Council is (unintelligible) things as to whether we wanted surface specific instances because each of them is their own rabbit hole.

(Steve):

Right.

John Berard:

But yes, the decision to change the public meeting schedule, the decision on the International - on the Red Cross and the Olympic Committee, the decision

Page 6

or the revelations about the URS. These are instances of - in which the announcement of them caused a bit of turmoil within the community that in each instances we could have been helpful in either preventing or at least directing.

Man:

So of those, I have the most direct knowledge and probably the most blame if you will for the Fridays and I'm happy to speak to that and say a bit - a lot more. For the others, I would pass the ball very quickly to our CEO who is still very much in charge and knows a great deal more about all the specifics that involved.

On the issue of Fridays, so I've had the pleasure of sitting on the Board in one capacity or another for close to ten years. And the Friday Board meetings had very two very important qualities that serve upper most in my mind. One was nobody was there that - very, very light attendance.

And another was that there was really zero real information in terms of even watching how the Board operated because all of the material with very little exception is prepared well in advanced, published in advanced, has come from processes that have been going on for a long while. And so there's noin the technical sense of new information - wasn't there.

So from an efficiency point of view, not just the Board's efficiency but in terms of the efficiency of the use of everyone's time, it didn't measure up to the very intense and content full portions of the rest of the week.

The other side of this is that we are very eager to improve the visibility of the Board and access to the Board and interactions and so forth. Scripted Board meeting with resolutions that have already been put in the can and aren't actually affected by much that happens during the week because of the requirements of posting things in advance just didn't make it.

Page 7

Now could we have communicated that better? Could we have communicated that earlier? Yes, indeed, no question about it. And in fact, I had been working on this for some time. I was disappointed that we didn't accomplish it in Costa Rica and, you know, pushed harder to get it done.

And I have to say I was surprised and particularly the lesson that - I thought everybody would just be happy about that and the reactions were - there were plenty of people that were very happy but I was a little surprised about some of the pushback.

So I'll take the hit on that one and acknowledge that we could have staged that better and - I mean stage in the sense of more advanced notice and so forth.

Nor do I consider that the end of the process, this is - happy to evolve. The general question isn't just about Friday. It's how do we best use the time that we have an dhow do we get the maximum effect out of that in terms of adjusting that or making changes, happy to continue that process.

Rod Beckstrom:

Then to take the next piece. You know, one thing we could maybe looking at doing, because Akram will be phasing in on Sunday and then, you know, Fadi soon behind him, but, you know, one thing I'd just offer is maybe, you know, the Council leadership - the Councilors, and Akram and I should sit down while we're here for 30 minutes sometime, is talk about how you think there could be better coordination between the CEO, including in the transition.

And if Fadi can join I think it'd be positive as well. There is some constraint time that I won't speak to but certainly I'm very open to that discussion if you think that'd be valuable.

Stephane Van Gelder: Yes, that's very helpful. Thank you, (Rod). Anyone want to discuss or make any comments on this? (Allen)?

(Allen):

As not a real GNSO member I feel I can make this statement. I sat around this table in an hour previous to this before lunch, I saw more jaws than I had ever seen in a single meeting because of the number of things that were (unintelligible) session related to new GTLDs, things that were presented without prior information or have recently been revealed without any consultation.

It's not just the Board we need better communication with, it's the organization. I don't really think it's worthwhile trying to go into details in this forum, we have other things to talk about, but we still have some serious problems. Thank you.

Stephane Van Gelder: Thank you, (Allen). Perhaps I can just explain that we had a session earlier on with the - a new GTLD team and we discussed the URS, the trade marking (unintelligible) and the timeline, that was the reference (Allen) was making.

And he was saying that he's not a real Council member because he's an ALAC liaison to the Council, that's just background for those of you who are not familiar with this extremely simple group and easy to understand.

Jonathan?

Jonathan Robinson: Stephane, thanks, it's Jonathan Robinson with the Registry Stakeholder Group. I guess the phrase that comes to mind, I think I worry that our communication is perhaps - it's too euphemistic.

I think probably more effective working with is - and although you might say that's achieved through communication, it really seems to me that that's - and we, you know, I was reluctant - (Allen)'s raised it but we didn't have a satisfactory session with the staff earlier.

There were a number of disconnects between the work that is going on, our understanding of various levels, whether it was the different topics discussed

ICANN

Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

Confirmation #4684681

Page 9

of where we at in the process, what it would take to make it effective and

successful.

But the overarching objective - I get the feeling it is to make - from both sides

is get the new GTLD program out the door effectively, efficiently. And

somehow with these two common objectives on both sides of the fence for

want of a better description, we were passing one another.

So there's definitely some work to be done there. There's a lot of goodwill to

try and achieve it but we've got some challenges as to how we do that.

Stephane Van Gelder:

Thank you, any further comments?

(Jeff):

Yes, I think John hit the nail on the head when he said, yes, we want to be your allies. We want to be allies. And I think the discussion we had with staff, in the hour before this, was we don't have that feeling at all. We actually feel

like we're clashing a lot when we could have helped a lot of things earlier on

in the process.

Very quick example, and I don't want to delve into the details, but basically

they were talking about the trademark clearinghouse and they were saying

this is all the stuff we've done, of course without any assistance from any

existing registries or registrars that have to implement it.

So to us we have months and months go by, we hear nothing, now all of a

sudden we get an implementation plan that's going to be basically thrown

down our throats without any input from us.

And the real quick example is that they said, well, we hired an expert to help

us with filing (EPPA) extensions with the (IETF). And I looked and I said, well,

why did you have to hire an expert? You have experts here for you.

ICANN Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

> Confirmation #4684681 Page 10

There is no reason you had to go out, hire your own that none of us even know who that is, and that's going to tell us how our registries have to

interface. And tell us that's three or four months of (unintelligible).

The other thing about the Fridays that we had a question with one of the messages that was delivered about canceling Fridays was that you didn't want to rush to make decisions and that you didn't necessarily want to have Board meetings during this week and you want to just have them on the

normal schedule. You didn't want to feel rushed.

But the then, you know, a little bit...

Man: That's a mangled message and I don't know if it was mangled in the delivery

or mangled in the reception but let me try to lay all that out very clearly.

The requirement for posting information before Board meetings for a period of time, we have Board meetings all through the year. Some of them are telephonic and some of them are face to face. The face to face meetings are

basically take advantage of the time when the Board is in the same place.

In the past, what you've seen are public Board meetings during an ICANN session and even so it was not uncommon to have two Board meetings, one on the weekend of going in, taking care of some ordinary business and

another one at the end of the week.

We looked at the whole pattern of the Board meetings that we had and then the decision processes. And then we looked at the optics and expectations of having, say, a budget presented on Wednesday and then the Board voting on

it on Friday.

And that sequence appears to look as if we are listening to all that public input and then we vote on this - there's - the practical aspect is there was

Page 11

really no reality for the ability to make a change to this budget from

Wednesday's - except under extraordinary circumstance.

But it wasn't the norm that what happened during those public sessions has

anything to do with the budget that's passed.

But those public sessions are, nonetheless, extremely important because that

input has two other effects. One is issues get raised there that have an effect

in the following year and even more immediately issues get raised there that

can have an incremental effect as we adjust the budget going forward.

Both of those effects remain and so one of the things we did was we said,

look, we know what it is that's going to be presented at these public Board

meetings, we know what (unintelligible) actually is going to be except under

very unusual circumstance. And we're just going to take care of that as

regular business.

So I appreciate after the fact that we didn't get all of that laid out clearly and

explained and maybe the optics are that we cancel the Board meeting and

then we put a secret Board meeting. It's not true. I mean we've had these

different sort of internal Board meetings all the time. But I appreciate the

issue of the appearances of all that.

Our goal is to make the Board actions smooth and predictable, to get the

issues out early rather than on the spot, and to make it - to make all of that as

transparent and visible as we can.

And so, you know, again, I apologize for the sort of awkward (unintelligible)

but it isn't just a question of canceling the Friday (unintelligible). It's really a

question of getting a streamlined process and having as much public

(unintelligible) as possible. And then orchestrating those pieces in ways that

are meaningful rather than pro forma.

Stephane Van Gelder:

Thanks, (Greg)?

(Greg):

Thanks, I want to piggyback on to what (Steve) is saying. One of the important things that have not been happening in ICANN meetings and has never really happened is community has never really gotten direct feedback from the Board.

You know, we have these consultation sessions and stuff like that but everybody goes away and everybody shows up three or four months later and what happened?

So by taking the approach that (Steve) has outlined, that gives us the opportunity to have these sessions for us to actually sit down prior to now Thursday and have a session and the Board - (unintelligible) and say, okay, here's the outline so we can come back and give to you - okay, here's what we heard you say and here's the things we think we can do about it.

And we're going to get that (unintelligible) we're going to try and get done before the next meeting and so forth. So when we - for example, Thursday we'll do that and we'll tell you what we heard you say to here and if there's any actions or something that derive from that we're going to tell you what we're going to do about it.

When we get to Toronto we'll report back to you and say, okay, this is what we did. That's something that has been totally lacking. And so we're actually creating a better feedback loop and give us a better opportunity to sit down and listen to you and it gets the information of what we're receiving and give feedback to you as far as what's happening and doing it in a more timely matter.

Stephane Van Gelder:

Thanks, (Greg).

(Steve):

And we're very much looking forward to the feedback on our feedback, both substance and whether or not that process feels right or is helpful or has been an improvement as we hope it is.

And, you know, sort of a minor note that gets lost in all this, it's expensive as hell to run a Board meeting (unintelligible) the public part and the preparation for it including late night drafting sessions and all of that. So in not having that Friday session we also not have these - sort of hard pressed press time which would then - we don't use it to go have a party or even go to sleep. We use it to get some other work done.

So this kind of session that (Ray) - and preparation and feedback that (Ray)'s describing is one of the things that we are able to do in recovering that time.

Stephane Van Gelder: Thanks, (Steve). So I have (unintelligible) and (Mike) and then perhaps we can move on to a second topic.

Man:

I have an addition on - on this topic, one of the most important functions of public Board meetings is when they are metered decisions and there are statements by different Board members regarding the way they voted and explanations on whether they've voted in favor or against a particular decision.

It is an important element for the community - and when I was not on the Board it is something that is extremely important to appreciate what - where the positions that were taken and the rationale.

And I want to add to what has been said by (Steve) that there will be clearly a sort of distinction regarding issues that have - of a sufficient importance, sufficient impact to deserve a public session so that this kind of interaction or this kind of visibility, this kind of transparency can take place.

So it's more a matter of threshold because a certain number of the decisions or resolutions that are being taken are regular, daily issues, cases like approving the new GTLD program or many major decisions. It's important to keep in mind that those formats will be (unintelligible).

Stephane Van Gelder: Thank you, (Mike).

(Mike): I just wanted to clarify one thing. When (Steve) was talking about the expense I don't think we're talking about cost here.

We're talking about expense in terms of energy, staff energy, and the fact that the Board closets itself up with significant periods of time during the Board meeting to try and - often craft resolutions to an extent that we're satisfied with them rather than spending the time with you listening to what your problems are, listening to your suggestions as to what to do with them.

So we previously spent very little time listening - at high level, this is the problem, then we try and rush into a product session to decide (unintelligible) craft a resolution we could live with.

We - the expenditure was in terms of effort and energy and specifically the staff effort and energy to try and get that right. We now would prefer to spend that energy listening to what the problems are trying to work with the community to get them right.

Stephane Van Gelder: Thank you, (Mike). So let's try and move on to our second topic and I'll ask Thomas - Thomas Rickert to lead us into this topic, which we've drafted thus. We've concerns of the GNSO Council has bypassed by the Board on issues of concerns and serious importance to the communities such as IOC, Red Cross, URS, digital lottery. This is one of our strategic priorities and engaging in these processes with the Board. I'll ask Thomas to lead us into that topic.

Page 15

Thomas Rickert: Thank you, Stephane. I should say that I'm one of the non-Comm (unintelligible) to the GNSO Council. And to start with it was a huge pleasure to hear your parties say that you're a defender of the multi-stakeholder group, you all (unintelligible), you added.

> You also said that you're not conclusive and you don't have multi-stakeholder but you have multi-stakeholder minus one, I think these were the words you were speaking. That was very encouraging.

> We have the fear though that this multi-stakeholder approach is irrelevant at least on a couple of occasions but I would like to elaborate on a little bit. The first one which is the decision that was made by the Board on the IOC/RCRC where protection was granted to two organizations. And this decision was ignoring so much GNSO policy that was in place, at least (unintelligible) to ignore this policy.

And this sort of caught the GNSO by surprise. And it then tried to help out with this, put together a drafting team to help implementing this Board's decision and finally the GNSO Council came up with the resolution that was not (unintelligible).

So there was an awful lot of confusion with the community. There was a lot of criticism for the processes and this could easily have been avoided if it had been followed in that occasion.

The same example that we would like to give is URS. The URS was designed as a complementary mechanism to overcome some of the shortcomings of the UDRP. And it is at least my belief that the buy-in of certain stakeholders was on the fact that a URS would be in place that is both in the price range that was announced with the features that were announced.

And it was only during the lecture of a budget proposal that we found out that ICANN planned - you know, budgeted for summits to be held, consultations

Page 16

to be held to reshape the URS to either - you know, modify the functionalities

or modify the costs.

Either of which factors hugely impact the original buy-in of certain stakeholder groups. And we think it was unfortunate that these summits were not previously discussed with the GNSO Council because reshaping URS should not be done with - in the course of consulting parties but there should be

community input and feedback.

The third occasion that I would like to highlight is digital archery. The GNSO Council learned about this plan of batching and using this new type of sport

during the - during a session in Costa Rica and concerns were raised.

Nonetheless, this mechanism was adopted by the Board.

What we (unintelligible) that the GAC - you know, leaving aside all the criticism that is coming from the community - and I do not want to repeat all the factors that appear to be wrong with this approach, the GAC sent a letter to the ICANN Board claiming that not sufficient community input was sought, which clearly demonstrates to us that had this gone through the GNSO

Council this wouldn't have taken place.

And I think that this would have been much better for ICANN as such.

So these are just some of the examples and we do offer a collaboration on policy aspects forward and the remit of the GNSO to overcome these - what has been shortcomings in our collaboration. And let's not (unintelligible)

stakeholder minus one take place, thank you.

(Steve):

Thank you, well, we should indeed talk about batching. We should - digital archery and we should also talk about these other things. I'm going to tall on you, (Cherine), to address the ones that you can because much of them took place within the GTLD and program community. And then (Bruce).

(Cherine):

Is that working? Yes. Thank you, (Steve). First let me start by saying I acknowledge all the points you made, there was no points - difference about anything.

Let me tell you - and I see there's a question there about how this newly established GTLD committee works. So I'd like to explain that and then explain the decision making and how we publish rationale, how we liaison (unintelligible) GNSO, all of these points on that. And then talk about the specific of digital archery and other things as well. Is that all right? Okay.

Basically this committee was established after - in January - after January of this year. And it is composed of the non-conflicted members of the Board. And the conflict is very specific here in relation to the new GTLD program.

It is not like any other committee. It's different in as much as it's empowered to act fully on behalf of the Board. Today it has 12 out of the 16 members, voting members, of the Board. And two out of the five liaison officers on the Board. So it's 14 members on that committee.

In terms of our workings, it's really the same workings at the Board. So in general, if a policy comes up (unintelligible) the GNSO we have to consider it. We have to discuss it, evaluate it, and make a decision on it. Then we have to publish our rationale for such decision why there should be an interaction (unintelligible).

I have to say that we had not been particularly timely in publishing the rationale over the last few months. And there's no excuse for that but the committee has published of late and they would be - have been working all (unintelligible) - meeting on a weekly basis and getting the difficulties and the unexpected glitches with the systems.

We had to meet on a weekly basis over the last couple of months to just make sure we are doing the right thing for the public interest and make sure

ICANN Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

Confirmation #4684681

Page 18

we're able to make the right decision at all time given the information we

have.

Now in terms of digital archery, the Board - the whole Board prior to the forming new GTLD committee on December 8 of 2011 had voted for batching

including digital archery. And this was the entire Board, not the committee.

And then the committee was formed while passed that decision. And the

whole period has always been - is this going to work, is it working, is it doing

the right thing. Occasionally we paused, compared it to other techniques, and

then the decision to come back always to what - let's continue with it because

there wasn't a complete solution that meets everybody's needs.

And here the solution that was proposed included a - as you know without

getting into a lot of detail, a scoring system up front using secondary

timestamp and then there was a round robin system to form a level playing

field across the region. Then there was rules to deal with contention and then

there was the opt in and opt ruling as well.

And it's not a perfect solution but it did provide what we believe is overall

some for of solution that creates stability and fairness.

Recently it's start hitting some technical problems. It was mostly unexpected

from the Board's point of view of the GTLD committee point of view. And on

Friday this week when we were here we were informed that there are more

and more problems. So we met and discussed with staff and staff decided to

suspend the digital archery technique.

All right, so you may ask question now and very much certainly entitled to,

where do you go from here, okay. And of course, where do we - you know,

and we've also received the GAC advice on digital archery to consult with the

community.

So this is something we're going to do very much during this week in Prague. We're going to meet with the GAC this afternoon. We're going to meet tomorrow. I think we're - all the constituencies. We have an open session as well on the issue.

And then we're going to hear and listen very carefully to what you all guys have to say and we will report back to you on Thursday about what we heard.

I see there are few ideas and thoughts being hitting us all the time. And we would consider every one of them. I have to say that our thinking moves along two paths. One is the evaluation of the string - the applications up front and the other one is the delegation in the back.

And there has been plenty of ideas and thoughts on the evaluation side, what people said, while do it in a single batch. Others said use different methods like categories. Others say use actions. Others say other things.

We haven't seen a total solution that also address the delegation backend.

And we would - a lot of the input that you're going to give us this week, about thoughts and ideas about the delegation of the backend.

So this is where we are on digital archery and so we're on batching. And we're going to really go into this with everybody this week and hear what people have - really urge you to come up with ideas and solutions that helps us also on the backend and on the delegation side.

Stephane Van Gelder: Thank you, (Cherine). (Bruce), just before - I can just say, I think that the question we addressed was not specifically and we'd appreciate the explanation you've just given us on the way the new commission works, which was - committee, sorry, slip of the tongue, and how that was one of the other questions that we had.

ICANN Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

> Confirmation #4684681 Page 20

But on this specific question that Thomas led us into, one of the concerns that

we were trying to voice - and I'm not sure that that came across was how

sometimes we are lost when we see the results of decisions that we've

worked on and tried to collaborate - tried to collate community input on them

and provide a result.

And the idea of bringing that topic into the discussion was to try and explain

that one of our aims as Council - and you'll remember in the conversation we

had in Costa Rica, you asked us about some of the work plan items that we

might have to make a Council more effective and to make our interaction with

the Board more effective.

And that's certainly, I think, one of the items we might have is we'd like to see

better collaboration between the two entities on work like this so that we're

not taken by surprise when we see decisions of the kind that Thomas was

addressing to.

Thank you, (Bruce).

(Bruce):

I'll try and address that a little bit, Stephane. What - one of the ATRT

recommendations that - before the Board is clearly explaining when does the

Board think something should be subject to policy development processes as

in the PDP and when is something just for staff to implement?

And usually what that means is that the staff do some work, they produce a

document, and might take a 30 day public comment period. And then they

move forward.

Those are kind of the two extremes, is the PDP and then there's the

completely staff control, might put something out for comment, not specifically

to the GNSO, just general public comment.

06-24-12/5:00 am CT

Confirmation #4684681 Page 21

If you look at the original work that we did in the PDP in the GNSO, that was

a three-year process, the new GTLD policy recommendations. But within that

report there was also a bunch of implementation guidelines, probably nearly

as many implementation guidelines as there were policy.

And the Board has sort of never changed its policy recommendations but has

certainly evolved implementation.

And one of the challenges here I think is about timelines. So if you look at the

structure where there's - assuming that the GNSO is developing policy

through it's policy development processes and then we assume these

advisory committees, ALAC, GAC, and others provide advice on different

topics, often really relating to implementation.

And we don't formally have that advice really structured in the GNSO

anywhere and it's becoming more ad hoc. And so we ask the GNSO for their

advice on the recent Red Cross issue. We asked the GNSO for advice on

metrics for measuring the degree of competition or measuring the degree of

consumer trust.

These are things that we've been asking for advice. There's probably not a

clear distinction within the GNSO between what the GNSO is doing a policy

development process that could take a year minimum typically, sometimes

three years, and advice.

And we got advice from the GNSO with the URS and trademark

clearinghouse if you recall. The Board asked the group to prepare some

proposals and then the Board sent those proposals to the GNSO.

And the GNSO turned that around very rapidly, I think it was probably within a

month that they gave advice essentially. I've forgotten exactly what the report

was - that's effectively what it was.

Page 22

And so I think what we need is to have some real clarity that when should the Board be saying it's PDP? When should we be going and seeking advice

from the GNSO? And how fast can you give that advice?

Because I think if the staff know you can send something around within 30 days and have confidence that that works then I think the staff is far more likely to say, let's go and ask the GNSO for advice because we know within 30 days they'll come back with some, you know, aggregated advice on a

topic.

I think if we can get that working then we can sort of break the two extremes between policy development for years, public comment process for just 30 days, which is really open, versus let's go over to the GNSO and get

something back within 30 days that allows the staff to move forward.

So just something to think about but I don't think we've clearly identified what the role is with respect to advice and with respect to implementation. We've done it lots of different ways but the first way we did it was in the GNSO report and we called it implementation guidelines. And we haven't really had

a structured way that those updated.

And the policies never changed in the last five years - seven years actually. We haven't really changed the policy. But we are changing implementation.

Stephane Van Gelder:

Thank you, (Bruce). (Jeff)?

(Jeff):

Thanks, (Bruce). Thanks, Stephane. I think with respect to a lot of the issues you're right, (Bruce). I think the Olympic Committee reserved names is different. That was clearly part of the PDP.

Basically it was a policy through PDP that said no - these are the reserved names, nothing else. And in fact, if you remember you were on that committee earlier than that, we basically looked at different examples. And it

06-24-12/5:00 am CT

Confirmation #4684681

Page 23

was very clear, the advice was - or the outcome in the PDP itself was no

other reserved names. And the rationale was provided.

Then in Singapore in - last year, a year ago, the Board says, you know, we're

going to - because of advice we've gotten from the GAC we're going to just

put a moratorium on these two, the Olympic Committee and the Red Cross,

and certain variations and then they punted it back to the GNSO to deal with

that.

That is an example where we felt completely bypassed so that we tried to

deal with it. We dealt with it pretty quickly. We formed a drafting team. We

formed recommendations and sent it to the Board through the GNSO Council

as quickly as humanly possible, right. There were a lot of timelines.

And then the Board said, thanks, but it's - you know, a little too late and we'll

maintain the status quo but thanks, it was well considered but we just can't do

it now.

I think that's one of the examples where you initially went against the advice.

We went through PDP and then kind of left us to clean it up. And when we

tried to clean it and we actually worked with the GAC to try to clean it up we

actually presented a solution that could have easily been implemented, the

Board decided or the new GTLD program committee decided, no, we're just

going to maintain the status quo.

And I don't want to delve into the substance of that issue because I think it's

irrelevant as far as which side. The point was in that particular instance the

GNSO was bypassed and it's a clear example. And that wasn't

implementation, that was a policy that was specifically went against.

And we just want to make sure that we know that and we're trying to deal with

that now but that was definitely an example where it was, like, the Board just

> 06-24-12/5:00 am CT Confirmation #4684681

> > Page 24

wants to move forward and I supported the Board moving forward with the

new GTLD program, but it just added that.

And that caused a lot of consternation within our group, within the GAC as I'm

sure you're going to hear this afternoon as to the rationale for not

(unintelligible). So that's one clear example where it happened and we just

hope that - we were afraid that was going to happen with (unintelligible).

And in fact, we thought it was going to happen until we actually wrote a letter

that said, wait a minute, that's GNSO Council issue, let us deal with it.

So I think that's really a good example of where it happens.

Stephane Van Gelder:

Thanks, (Jeff). (Jonathan)?

(Jonathan):

Stephane, thanks. I think various elements have been covered. I think we were reluctant to go into specific examples but actually I was very grateful in delving into the Fridays, I think (Steve) and others were able to give some very constructive and helpful explanations. And it sort of does put some color in the picture.

So as with most things starting to discuss them a little helps. I certainly think that there's significant expertise and somehow we've got to tap that whether it's - my concern is that I think it goes back to a topic we discussed last time we met which is this issue of (unintelligible) and remove those conflicted there is some danger.

And I don't think there's any way one can suggest that the new GTLD committee isn't capable of handling some of these issues. That by removing industry participants from within that group by virtue of their natural conflict we've perhaps run a higher risk of removing some of the expertise.

> 06-24-12/5:00 am CT Confirmation #4684681

> > Page 25

So somehow we need to thread that expertise back in and my constructive suggestion at respect is to create larger windows within the - within these meetings for interaction.

So one of our concerns that I've heard discussed is that some of the critical (unintelligible) - and I'm thinking here of batching and the trademark clearinghouse of only one hour sessions allocated to them, which is by no means sufficient to explore, develop, and resolve some of these critical operational issues.

So thanks.

Stephane Van Gelder:

Thank you, (unintelligible).

Man:

As (unintelligible) it's an opportunity to make something improved. Two remarks here following on what (Bruce) was saying, it is true that there is a sort of - that is between something completely informal, an interaction with the GNSO, or it's through PDP.

And there is (unintelligible) when there is a policy and primarily consensus policy that will have to be implemented and that will be integrated on a daily basis of the actors - the framework and the protections of the process is absolutely required and this explains why it takes longer.

On the other hand there are cases where the input the - and coming from the community is useful at many stages of the discussion. And where, for instance, consensus is not meant to tell you required. It can be an issue of framing contribution that says, while some group is saying this, some group is saying that in a concise format.

And I think we are here in the kind of situation where on some of those issues in implementation the Board committee for the new GTLDs probably needs to

ICANN

Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

Page 26

Confirmation #4684681

be able to ask for view and potential agreement among the different actors to

have the decision.

However, the second point is that this is a situation where the advice or the

comments or the contributions are being made on the very issues that will

impact the actors themselves, their respective competitive advantage, and

their interests.

And there is a difficulty here regarding the confidentiality of some of the

elements, which mea that it cannot, for instance, be a request at any moment

to form a subgroup of the GNSO to discuss something. And the physical

meetings all very open interaction is needed.

And for instance, not being in the committee the discussions that must have

taken place there on batching and involves most certainly issues that would

have been sensitive if they had been shared in the interaction.

So a conundrum that we're in it, the only solution I believe is that if the

interaction is sufficiently in the open so that all actors know exactly what the

contributions of each player is, most of the conflict issues are not at play.

Stephane Van Gelder:

Thank you. I have Wendy next.

Wendy Seltzer:

Thank you, I wanted to pick up on (Bruce)'s helpful comments on ways that

we could interact better and setting timelines and letting Council know that

policy recommendations made quickly to contribute to the process in ways

that policy development that takes three years can't.

It's helpful guidance and at times the Board has added to that by putting in

deadlines of this will happen unless you come back with a policy

development process or policy recommendations that are different.

Sometimes - I'm thinking of vertical integration or some of the trademark

recommendations, that's been by picking something that nobody wants so

ICANN Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

Confirmation #4684681 Page 27

that there's not a benefit to somebody just sitting out and saying, let's delay

this.

But rather something that everybody wants to change and then that encourages the consensus thinking among this body, gathering the

viewpoints of the often differing constituencies.

So I think that can be helpful and think we should be eager to work with the

Board in finding ways to make that process effective so that we can offer

quickly and - or relatively quick policy development so that we can be

relevant to important issues like the registrar accreditation agreement and

other (unintelligible) as well.

Stephane Van Gelder:

(Allen)?

(Allen):

I'll pass.

Stephane Van Gelder:

(Bryce)?

(Bryce):

Thank you, Stephane. Just a comment with regard to a comment that was

made that there's only one hour devoted to - for example, discussion on

batching. That is not true.

We have a one hour planning session for that but we also have batching on

the agenda here. We have batching on the agenda for every consultation

we're having this week with everybody else. So it's more than one hour.

And the fortunate thing is that this session is occurring before we have a

plannerary session so this group will not have the benefit of having heard

everyone else in the community say something where the groups we're going

to meet with on Tuesday will have had that benefit.

> 06-24-12/5:00 am CT Confirmation #4684681

> > Page 28

So it's not just one hour. Just - you nee to look at the schedules and you'll

see that there's a plannerary session and generally there's a Board session

and a plannerary notion like on batching, you will see that there will be - the

consultation question being asked to everybody else.

So with the exception of the Council everybody else actually gets two

opportunities to make comments. They get to hear everybody else's

comments and make comments the first time around.

Then they have actually a little recovery time if you will to do consideration

and come back to the Board to further explain their comments or to gather

more information. So I just wanted to make that point clear.

Stephane Van Gelder:

Thank you very much. Any further comments? Joi?

Joi White:

Thanks, Stephane. I also just wanted to pick up on (Bruce)'s point and really welcome the idea thinking (unintelligible) creatively about how the Board can draw on the collective expertise of the GNSO Council outside purely a PDP process. I mean I welcome that suggestion. I think it's an excellent one.

And while we're not, of course, an advisory body - GAC is, none the least if there is mutual advice we can give and there are opportunities to seek it in a timely way I would welcome that opportunity.

Particularly in light of what is an enormous workload amongst all of us and also to echo (unintelligible) and obviously that it's transparent and it's clear then I think the community can be, you know, satisfied that (unintelligible) are done openly.

So there would certainly be one where there are particular issues coming up that the Board is thinking about with (unintelligible) that we can thinking accordingly.

Stephane Van Gelder: Thank you. Any further comments on this? In which case may I suggest, (Steve), that we get to one of your - the Board questions, perhaps the one on batching which I'm sure many people want to address? That

something you want to lead into?

(Steve): Sure, and our views on batching and the question that we want to ask is what are your views on having a single batch? And do you believe there's anything approaching a consensus?

I'm just reading here to make sure we get the question as we would read through it in the past, what is an acceptable timeframe in which to do a single batch? That is to be clear about what that's saying is a way to do a single batch is you process as many as you can and then more so you basically have batches but you hold the results in abeyance until you've got them all done.

So it's a worse case result but it's a single batch and so that's fair in a certain sense.

To what is that an acceptable timeframe to that? And if there is to be batching do you believe there is consensus on a method other than digital archery that should be used? And if so what might that be?

So that's the question, do you want to dive into that?

Stephane Van Gelder: Thank you, (Steve). And just to reiterate the point I was making earlier on in that we have not had sufficient time as a Council to discuss this in depth, this particular question. What you'll be hearing is probably more individual councilor views and you'll start to get that right now with Jeff Neuman.

Jeff Neuman:

Thanks for that introduction. Yes, part of the question, I guess - maybe I just read this wrong, but you said in a single batch you almost said that would be a worse case scenario? And then I have a comment.

(Steve):

Yes, but what I meant is that the reason for batching is capacity of how many - the applications are being handled at any given - you know, at a time. So the way to do a single batch - it doesn't magically create more capacity.

All it does is say, well, you do as many as you can and then the next portion and the next portion. And you just don't release the results of any of those until you've got them all done.

And so the - instead of getting results incrementally you delay all the results and so that's sort of the longest possible time for getting - well, instead of getting some sooner than later.

Jeff Neuman:

Yes, I think that's right. I don't consider that a worse case. I actually think that's not a bad thing.

I think if you separate the input from the output essentially or - you know, what's going into the evaluators versus what's coming out from ICANN as announcements, if you look at it that way, of course, when you process it you have to batch it. But I view that as more of an internal thing to some - as you said capacity.

(Neustar) has expressed the opinion along with a lot of different registries and applicants that we at this junction fail to see the - this doesn't stick for everyone, but it fails - we fail to see their rationale for having to results on a rolling basis.

We don't see why you could not just hold it all and if you could do it all within the year or whatever the timeframe is - and we'd have to know what that

ICANN Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

> Confirmation #4684681 Page 31

timeframe is, why you couldn't just announce it. I understand there was also

the issues raised before about the delegation issues.

I almost think that's a red herring. But I think it's almost a red herring because

initially when the technical community made the recommendation of 1,000 in

one year I have to believe several years ago that they didn't even think 1,000

was doable. In their minds they only thought there was going to be 100 or

200, maybe 300 applications.

And it was almost like they took a - it was high enough that they didn't think

would be attainable or I should say it was high enough that it wouldn't be

attainable so that you could process everything.

I'm not sure - if we (unintelligible) that issue in the time that we have to

process a single batch and really got from the technical community what are

the issues specifically of at most 1,400 right because you take the ones that

are contention - yes, it's around 1,400. And you separate those out, you only

have about 1,400 unique strings.

So now the question is what is the ramifications of doing - if everything

happened at once, 1,400 at the same time? But we know that 1,400 aren't all

going to be at the same time because we know naturally you're going to have

some that go through initial evaluation with no contention, no extended

evaluation. And so those will get processed first, they'll sign agreements first.

Then there's so many others in the process that (unintelligible) believe but

there's no way to prove it but a lot of us believe by natural selection you're

going to have delegation that lasts longer than a year. And if not - in the very

worse case scenario you're dealing with 1,400.

Send it back to the technical community, ask them, is there a significant

difference between 1,000 and 1,400? And get that advice from them. And if

they say there is then we can back off and say, fine. But if there's not I don't see what the significance is of the delegation issue.

(Steve):

Let me adjust a few pieces and this will go to a very nice place. The interaction that we had with the root server operator (unintelligible) staff interacting with the root server operator was a commitment to put in no more than 1,000 per year. It's a rate, not a total. And it's not - you know, like, (unintelligible) 1,000 go in a day and then you wait a year to put in the next 1,000.

So it doesn't have to be quite as soon as, you know - let's say just to make the arithmetic easy, 250 business days a year and so you divide that up into four per day.

It doesn't have to be quite that fine grain but it is quite clear from the interaction and the history of all that that they're not looking for a plop of 1,000 all at once. And so they're looking for - you know, I don't know what the right number would be but let's say ten at a time or something like that.

So they're reaching 1,000 and 1,400 is between one year and 1.4 years as opposed to - you know, so moving that number around isn't going to change that dynamic that if you - whatever you have done and ready, it's still going to take time to meter those out. So there would be an ordering process.

There are only two ways around that - what, there's no way around that ordering process under the current set of agreements. If you want to go back to the technical community, to the operators basically and say, we want to reexplore whether or not this rate limitation is really necessary, then I'm eager for you to do that.

We will sell tickets and improve our revenues, this will be an exciting operation. I can tell you from other traffic I'm seeing that as actively as we're

ICANN

Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

Confirmation #4684681

Page 33

having this conversation I'm expecting reaffirmation of the previous advice -

(unintelligible) side.

I can tell you from my own technical background, and I claim to have some

expertise in this, that I think it's overly conservative but I'm not really allowed

to - my opinion doesn't have much sway. I'm only allowed to process things

and, you know, sort of oversee the process at this point.

But that's the dialog which you could have. I don't hold out a lot of hope of

success and in which case we are then back to the question of how do we

order the results that come out.

And maybe - and yes, there will be - they won't all come at once. I mean you

complete the first level of evaluation and then there will be some that are

knocked out, some that will go forward. But the number that we have to plan

for is your 1,409, which is the residue up to the contention.

And I believe if we don't have a plan for what we're going to do with 1,409

completed delegations - or completed evaluations that are ready to be

delegated then even if we do a single batch we'd still have a problem that we

will be faced with and better have a solution.

Otherwise, we'll be having the same conversation again, what method will we

use to order that? And if we don't have a solution to that then we've just

kicked the can down the street a little bit.

Stephane Van Gelder: Thanks. So we have Thomas next and then (Jonathan) and then

(Chris). Anyone else want to speak just let me know.

Thomas Rickert: Thanks, Stephane. I remember well that (Cherine), you mentioned during the

press conference that you are looking for proposals that are superior to the

one that currently on the table.

ICANN Moderator: Gisella Gruber-White 06-24-12/5:00 am CT

> Confirmation #4684681 Page 34

And if we look at the process as it stands now it shows to be unfair in certain

respects. It seems to be technically flawed as we've seen - by the latest with

the suspension.

We've seen that it's geographically unfair because of the contention

mechanisms that you - you know, treatments of contention sets are there.

Multiple instances in which this current approach is not okay.

So for me personally any proposal that eliminates at least one of these

deficiencies would be superior to the proposal that is currently on the table.

But that's, you know, speaking personal capacity.

I think that - and I'm chiming in with what Jeff said, that what we're discussing

is highly theoretically because we have - you can take out the contended

ones, you can take out the ones that have not done their homework and

who's applications are not good so that they need to go into extended

evaluation.

You can still keep an opt-out mechanism and I'm sure that some of the

applications will gladly opt out because they don't yet know what exactly to do

with their TLDs.

And I think that the issue will disappear by nature. So if it were up to me I

would eliminate evaluation batching completely, would process them all, take

the vast amount of money that is available to put additional resources into the

initial evaluation so that one batch can be processed quicker and that all the

results can be published at the same time, which would be - added in some

fairness in this process and avoid - help avoid competitive disadvantages.

And then worry whether we actually do have more than 1,000 TLDs ready for

delegation in a one year period.

And the sequence in which you delegate them to the zone, I think that's something we would need to (unintelligible) to the community about, I don't have a silver bullet solution to that. But I think if we could agree on dropping evaluation batching and worry about delegation batching it gives us a little bit more flexibility and time that would serve the community to great extent.

Stephane Van Gelder: Thanks, Thomas. I just want to ask a question - and I actually put myself in the queue but I didn't tell anybody. (Cherine), just going on from what Thomas has said, do you have figures on if you do a single batch if that is a possibility, how long it would take, and how many people at ICANN you'd

(Cherine):

I'll ask (Chris) probably to take this but staff is working on getting us information about processing, whatever the 1,400 will have (unintelligible). But I think the process here is that we want - the reason we're staying silent a little bit is we need to listen.

So you suggest you want a single batch and don't worry about the backend, it will sort itself out. Fine, that's an input, that's a valuable input. Someone else - Jeff mentioned something similar to that.

(Chris), do you want to add?

need to do it?

(Chris):

Thank you, (Cherine). The answer to your question is - let me (unintelligible), no, not right now, but we're working on that. We are trying to arm ourselves with as much information as possible, that includes information from you and individuals and constituency groups and information from the staff.

I would ask you to consider two other things when you're talking to us throughout the week. One is that you need to (unintelligible) the top - on the top of this that we have a piece of GAC advice that deals with timing, deals with (unintelligible) processes and takes us through, I think, until Beijing. There you could argue that's a bad thing or a good thing.

06-24-12/5:00 am CT Confirmation #4684681

Page 36

In one way certainty is a very good thing and getting certainty from the GAC

is a - it's good.

And the second thing is to remember that - and this is just my personal

opinion, to remember that there is a natural break in any event at the

delegation point because there's a requirement to apply for delegation and

those applications are dealt with in the order in which they are received. And

there is a natural break there. I (unintelligible) be able to deal with a certain

number.

I just want to pick up on what (Steve) said, I would strongly recommend

against revisiting the 1,000 apart from anything else as far as the GAC is

concerned, that is set in stone and it would be an extraordinary difficult

discussion to have with them built around security and stability to try and

change that, thanks.

Stephane Van Gelder: Thanks, (Chris). And thanks for confirming Beijing as a location for

our 2013 meeting.

(Chris):

Absolutely pleasure.

Stephane Van Gelder:

(Jonathan)?

(Jonathan):

Thank you, Stephane and (Chris). I mean I think - I've heard two pieces of

information that I feel are significant and they may have been understood or

properly by others. The staff talked to us earlier about batching, have three

contracted - sorry, processing, application processing, having three

contracted service providers and being in a position to be able to process

those a specific rate and no cost.

We - I think some of us were somewhat surprised by the fact that that wasn't

the case. The argument given was that engaging any further resources

> 06-24-12/5:00 am CT Confirmation #4684681

> > Page 37

whether those were additional providers or additional resources added to

those existing processing capabilities would be that quality would be

potentially compromised and that quality was above all the single strategic

priority driving the processing applications.

Speed followed as a second priority and thereafter cost, which makes - sound

logical sense to me but nevertheless the bit that I grasped was that that -

there was no way in which these could be processed faster. Because I think

that would certainly influence myself and others about thinking about whether

these should be processed in a single batch or not.

And then - so that's the first point that I think I've heard that's new or at least

solidified information.

The second is it's been very helpful to hear that about the - you know, the

confirmation about the rates of addition, although that's what I thought I had

understood. It clearly highlights that sequencing of - is going to be an issue in

some form or another and we as a community can't hide and run away from

sequencing issues.

And somehow or another sequencing will be need to be dealt in parallel

application processing. So perhaps without batching it becomes less urgent

but nevertheless ultimately equally important. So that's very helpful to

understand that, thank you.

Stephane Van Gelder:

Thank you. (Chris), you want to answer that?

(Chris):

Excuse me, just saying...

Stephane Van Gelder:

(Unintelligible)

(Chris):

Only (unintelligible), adding additional service providers is challenging. And I

think what message (unintelligible) was trying to deliver to you this morning is

it's not as simple as just going, well, we've got three, we'll go and get five.

There's been training, there's been - you know, this starts whenever it starts,

X date, and there is just isn't time.

And whilst there may be a possibility of having increased people within those three, that again has issues because we've got training and so on. So I think it's not - there's (unintelligible) as you've said.

There are difficulties around it that make it quite difficult to do that. But having said that we are working, and it's a lot of listening to you, we're working on getting as much information as we can so that we can make a sensible decision.

Stephane Van Gelder: Thanks, I've got (Mike), (David), Ching, Mason, and (Brian).

We've got seven minutes to go so I'm going to cut the queue off after (Brian) to give (Steve) enough time to make any closing remarks. (Mike)?

(Mike): Thanks, Stephane, try and keep it brief. Just hearing some of the comments, first (unintelligible) is that you don't confuse batching and digital archery.
 Digital archery was a particular mechanism chosen to - as the approach used to determine the order for the batching process but they're separate.

If you confuse them then the entire system is confused and any suggestions you make are going to be confused. Separate them out and suggest where your improvements are coming and we're looking at workable, useful input.

The second thing is - and apologies to long nights having (unintelligible). If you're going to refer to something as fair or unfair, if you're trying to allege an objective test, test for fairness or not, it's (unintelligible) color of your skin or your hair. When it comes to fairness is relative to somebody else.

So what is unfair to you may in fact be fair to somebody else and what you believe is fair to you may in fact be significantly unfair to other groups. It's a

Page 39

quite of weighting between people. And maybe it's useful to just understand who the other people and the other impacts on people are before you make a bold statement about things being unfair and therefore it must be changed.

Stephane Van Gelder:

Thank you, (Mike). (David)?

(David):

Thanks, Stephane. It might be seen as - you know, I'm coming up to the batching point, we're against batching. We haven't discussed this particular point amongst ourselves but certainly in a personal point of view I think a single batch is better.

I never liked the idea of the batching process (unintelligible) because those brands that we were acting for who were completely (unintelligible) as to where they were going to be (unintelligible) had to compete and had to get in the first batch, which then meant us looking into the whole digital archery process that - ten or so providers, the pros and cons, pluses, minus, cost benefits, etc., which was an intense waste of time and resource.

So as (Kirk) said this morning, it was about 15 months I think he said were the early projection times for one batch. I think let's do that and I put here, have an even bigger reveal deal in 15 months.

Stephane Van Gelder:

Thank you, Ching?

Ching Chiao:

Thank you, Stephane. I also like to be brief and quickly - actually response to what (Mike) just said that I think that applications here are trying to be fair at least for the - I mean for the economic reason. I know some of the applicants, they fly all the way from (unintelligible) to file (unintelligible) or even getting to a hotel - hotel room just for the archery for the last few days.

And even for the economic reason, for example, some applicants that I know that they pay additional tax fee to their local government because local

Page 40

government consider paying ICANN - I mean ICANN taking the application

fee as a revenue. So the applicant has to pay additional tax to (unintelligible).

So - but that's all good, I think, that's - on one way or the other you make it as

a sacrifice so you make it as an investment. I mean that's all good. We

almost - or I just like to ensure - and can I - maybe just by asking the more (unintelligible) thing is that whether this kind of suspension of batching is a

delay of batching to the delegation stage or no more batching on the

delegation stage because we are looking at no batching on the evaluation

part.

And actually (Chermine), you made the very good point that you were talking

about in the beginning and also the end. I think there's a whole point of the

new GTLD committees looking at - to streamline the process.

I think the community - it's really looking at - for the leadership, for the ICANN

management to seeing whether we can have some predictability of no more

batching on the delegation part.

Stephane Van Gelder:

Thanks, Ching. Mason and then (Brian).

Mason Cole:

Thank you, Stephane. I'll be brief. I would say that not all applicants would be in agreement with a single batch method. I agree with (Mike) in his earlier statement that digital archery is separate from batching. I'll point out there's no community consensus on another method besides digital archery but since we're not talking about digital archery specifically I'll just move on from

that.

Perhaps a rolling batch system of some kind would be suitable instead of one

big batch because then as (Steve) pointed out, you don't have to wait until

the end for everything to be put into the root.

Page 41

There's going to be some ordering at some point anyway. It seems more sensible that you could do the ordering process before you get to the end of that. And then there's a whole new fight over the order.

And then I'll just point out finally that (unintelligible) starts happening sooner in that scenario rather than later.

Stephane Van Gelder:

Thanks, Mason. Brian?

Brian Winterfeldt: I'll speak quickly, Brian Winterfeldt from the IPC. I think first of all I'm not sure that the sequencing issue will be as big an issue with the delegation point. You're going to have extended evaluations (unintelligible). You're going to have contention that's going to need to be dealt with.

> You're also going to have negotiating the rest of your agreement, which could be much longer (unintelligible) than people imagine with certain applicants. So I think there will be sort of a natural sequencing there so we may not even hit that 1,000 and have to worry about it. So that could maybe just be delegated in the process that they're evaluated.

And then from a larger point I think the IPC needs more time to think about a single batch and what that would mean and then alternatives to digital archery as well.

Stephane Van Gelder:

Thank you very much. So I think we'll have to move on there and logic would suggest that we now deal with the RAA negotiations but I think we timed the session perfectly and we have no more time for that. So I will just close this, ask (Steve) and Rod if they have any closing remarks and then thank the Board for this very good conversation.

(Steve):

I'll go first. I would tell you with respect to your strong opening point that we should be more communicative and more consultative with the GNSO

Council and make use of your good offices for gaining expertise and advice

and getting more (unintelligible) with GNSO that we hear that message.

And we will echo that back as part of the compendium of things that we have heard when we speak on Thursday. And try to do more than just simply echo

it back on Thursday but actually abide by it and integrate it into the operation.

And so I think that's helpful.

I'd just go a step further, we have from my perspective, you know, having worked in this field for a long, long, long time, a huge community of very

strong experts. And we have a quite good staff but there is a reservoir of

expertise out in the community. And we try to be very careful about legal

issues and about conflicts of interest and so forth. But one of the

consequences I think is that we curtain ourselves off in a way that may not be

the best.

So exploring how to get the best of both worlds, you know, appropriate

balance, I think would be a helpful thing. And so I view this issue of

communication and in particular of getting expert help as a piece of that

larger puzzle. That's a - and thank you very much for that.

Also I must say, frankly I'm a little surprised at the sentiment of saying one

batch which translates into delay of ones that could have come earlier, that's

a value judgment which is exactly in your purview. So that's very helpful

input.

Rod Beckstrom:

Yes, I just want to say I think it's been a really rich discussion today and the

1,409 strings have been revealed but it's new data. And with new data -

because we've been trained to forecast for years how many applications

might there be, where they might come from, what category, which language

scripts, .etc., and now that dataset is none.

And that does allow a reconsideration and a view towards - to saying, of those 1,930 applications. So I think it's going to really - rich discussion on that. Stephane thank you for your kind remarks before and again. Thank you to all of you.

Stephane Van Gelder: Thank you very much.

END