
PRAGUE – BOARD / CSG Session
Tuesday, June 26, 2012 – 11:15 to 12:15
ICANN - Prague, Czech Republic

Ladies and gentlemen, if you take your seats we'll be able to begin our program very shortly. Thank you.

We would also like to request anyone speaking into a microphone, please make sure the microphone is very close to you, so that we can adjust the sound properly.

Thank you very much.

STEVE CROCKER:

Thank you, Nancy.

I've been wired up myself so you don't see a microphone in front of me but I am, in fact, close to a mic somewhere here.

Welcome. It's a pleasure to be here. The format of these sessions, as you know, we shifted a while ago -- a year or so -- from the more social kind of interactions to ones in a setting where we could put topics up on the screen, agree in advance to what topics we wanted to get into, and then dive right into them without a lot of preliminaries or a lot of background and make these contentful and meaningful interactions.

So this is real work, and we enjoy it, and we appreciate -- the board appreciates the time and we hope that you guys do, and we particularly are interested in hearing from you about topics that are on your mind, and we have some topics on our mind that we want to hear from you about as well.

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Just a word about the room setup. That turns out to be one of the contentious issues that we wrestle with back and forth. This one is set up in so-called classroom style. A "U"-shaped room would provide much better sight lines for everybody to see each other and far less capacity, and so there's that tradeoff, and we've gone down this path this time. I think there's a plan to try "U"-shaped in Toronto and then we'll have some assessment and we're taking opinions.

But it's not an accident or an oversight; it's just dealing with the pragmatics of the choices that we have to deal with.

Is there anybody in charge on your side?

[Laughter]

>> (Speaker is off microphone.)

STEVE CROCKER: Yeah. And we particularly are interested in some feedback on your thoughts about batching and so forth.

But let's put up all the topics and then organize.

STEVE METALITZ: This is Steve Metalitz from the intellectual property constituency.

I guess I would suggest we've got -- the three topics on the screen now are the ones that we asked about, and then the board listed four topics, I believe, and I think most of those four could easily fall into the last category, our last bullet, about challenges facing the incoming CEO and the board.

So may I suggest that we start just briefly dealing with these first two bullets and then move on to your specific --

STEVE CROCKER: Good. Let me just ask: Is there another slide that has additional bullets behind it or is everything on the one slide here?

STEVE METALITZ: This is what we proposed, but then what you came back with is not on that slide.

STEVE CROCKER: No, I understand that, but I just want to make sure that we're not missing any of the things on your --

STEVE METALITZ: No.

>> Steve, there's one slide.

STEVE CROCKER: Flip forward one slide. Let's see what happens. No. You're right. Okay. Back up.

Thank you.

STEVE METALITZ: Okay. So if we -- should we just start in on the first one?

STEVE CROCKER: Yes.

STEVE METALITZ: The impact of new gTLDs on ICANN's constituencies, SOs, and other structures.

This is a very lively topic of discussion within all of our constituencies, and I'll just say, since our constituencies haven't formally met here because of the scheduling, but we've talked about this a lot, I -- let me just say as the head of the intellectual property constituency, a member of that constituency for 12 years and its president for 7 of those years over -- off and on, I don't think we have ever had a two weeks like we've had the last two weeks in terms of impact of something ICANN did on our constituency.

Two weeks ago we didn't know whether there would be 4 dot brand applications, 40, 400, or 4,000. So we found out on June 13th, and suddenly we have many, many members of our constituency that are very -- that are either from companies that want to be registries or they're representing companies that want to be registries, and this is a big change, obviously, for our constituency.

So I think when we think about these -- and it's already definitely had an impact.

So when we think about this impact, I think we have to think about short-term impacts and shorter-term impacts.

The shorter-term impacts have already happened, but in the short term -- and I think it's not very long -- we're going to be grappling with

questions about whether -- that I really think go to a lot of fundamental issues of ICANN's structure.

And it so happens that this is coinciding more or less with the five-year mandated review of the structure of the GNSO, and I think all of our constituencies are in agreement that it -- that right now is not the time to start that review.

We need to get a little better grasp on both the shorter-term problems, such as, what is the best mechanism for potential gTLD registries -- applicants -- to be heard in this process, whether it's through existing constituencies or in some other way, and then we have the not-so-long-term issues of once we have many new registries up and running, delegated, how is that going to affect the overall structure.

So I think the only message we can communicate now is that the impact is going to be huge, it's already started, and that we think in terms of the timing of the GNSO review, let's not jump into that right now.

The board has the option, as I understand it, to delay that, and let's at least figure out a little bit more about what those impacts are going to be.

STEVE CROCKER:

Thank you. Let me just say a couple things just immediately, and we'll continue.

Ray, you're chair of the Structural Improvements Committee and that oversees the bylaws mandated reviews and that's what I think we're referring to here with respect to the GNSO, so that's a -- you may or

may not want to say something about that, but that's where that decision would be taken, I believe.

RAY PLZAK:

Yes. And we actually have been discussing this topic in the SIC for several meetings now, and in fact, Bertrand has taken the lead on the -- on that initiative.

And so -- and we are incorporating it into the criteria that we're putting together for the next review cycle and it is our intent when we get the review criteria put together, and as I promised, we will coordinate that with the various stakeholder groups.

So let me let Bertrand say a few things about this topic as well.

BERTRAND DE LA CHAPELLE: Thank you, Ray.

The difficulty we're facing here is that -- and you know how much this topic is close to my heart. The challenge we have is the impact is short-term, mid-term, and long-term, but the agenda is incredibly loaded already with other topics of the implementation of the new gTLD program and so on.

So one of the difficulties is how can we, without overburdening everybody, keep the focus on all the implications that it represents on the structure of the organization and nurture a progressive discussion that can feed, as you said, in the review of the GNSO.

But the impact is not on the GNSO only. It's within the GNSO, it's regarding the whole structure of the organization, and in a nutshell, there are tracks that are quantitative and qualitative. They are scaling impacts by just the sheer number of actors, where they're distributed and so on, but also qualitative in terms of the nature of the problems or the questions that will have to be addressed and faced.

Without getting into the details, what I'd like to raise here and get maybe, you know, your feedback on is how to best conduct this discussion.

What I've understood from previous interactions in -- with the constituencies, and notably in Costa Rica, is that it is natural that the different constituencies, the different stakeholder groups, and the GNSO as such conduct their own thinking regarding what is their impact. It's absolutely essential not to bypass those things, and I heard the message loud and clear.

At the same time, it is important to be able to have more community-wide discussions on the various occasions of the meetings, and I would be very welcoming of any suggestions on how we could, in Toronto in particular, have some form of discussion at the community level so that the different groups can bring their own perspectives.

Do you have any ideas on this? Knowing that, as Ray said, the goal is to insert this mapping of the challenges into the review process so that the review becomes forward-looking and not only backward-looking.

STEVE CROCKER:

And I have a suggestion about how to start that dialogue.

Bruce, and then I'll make a comment and we'll turn it back over to the -- yeah.

BRUCE TONKIN:

Thanks, Steve.

One of the observations I would make about the structure of the GNSO is it's a mix of classes of stakeholder groups and a mix of interest groups.

So on one hand you've got a clear definition of a stakeholder being, let's say, a registry, because it's defined by an organization that has a contract with ICANN to operate a registry.

So that's -- that's really just a class of organization.

But then you have other -- and then Internet Service Providers in the commercial group would be another example. It's like it's a clear class of organization. We're saying Internet Service Providers are -- fit into that class of organization.

But then we also have interest groups, so we have some people that are more interested in what I'd say generally are freedom of speech interests and they might sit in the noncommercial constituency, or we have people that have an interest in intellectual property protection. And I think we've got a mixture.

The IETF, if you like, is more interest groups, so you might have an interest in one protocol versus an interest in another protocol. And a large company like IBM might have staff participating in multiple interest groups.

What we seem to be heading towards here in the GNSO is that we could have a large organization that is operating a registry, is operating a registrar, is a user of the Internet, the business users, has a department that focuses on intellectual property. They might even be a nonprofit organization and therefore they are in the noncommercial constituency.

So you could easily see a large organization could actually fit into about five of these organizations based on their areas of interest and have different staff participate.

And I think that's really the challenge.

Are we moving to an interest-group-based model, where a large organization might have different staff attending each interest group, or are we trying to define an organization?

And the difficulty with trying to define an organization is a lot of large organizations have multiple roles, right?

We do have organizations that are registries, registrars, business users, Internet Service Providers. They could be all of the above.

STEVE CROCKER:

What I want to do is get back on -- I took a sort of long interruption here.

Very quick.

RAY PLZAK:

Just as a close-off about the discussion regarding the nature of the review, the review is not going to be a qualitative judgment on what's

being done in terms of what specifically you're anticipating or how to do it. It's more a measure of what are you doing and what types of resources and so forth you're devoting to it. Because the discussions that Bertrand is raising is where the content of that is going to be raised.

And so it's from a standpoint of organizational effectiveness. It's is the organization dealing with it, and is it doing things with it and so forth, whereas the actual content and nature are in the public sessions, for example, that Bertrand was describing. So I just wanted to make sure that was clear, that the review wasn't going to be analyzing your content.

STEVE CROCKER:

Good. A thought that might be helpful.

You make a very cogent point that it has an impact on each of the constituencies and the structures all the way up. Would it be sensible to ask the chairs of each of the constituencies and the structure -- and the structures above that -- stakeholder groups and so forth -- to jot down very briefly one page of the sort of thoughts that come to mind about what the impact is likely to be, and any tentative -- not, you know, well-worked-out, but possible thoughts that would be worth discussing about how to accommodate or deal with that.

And then sort of a more philosophical thing.

One of my most favorite essays is by J.B.S. Haldane, an early 1900s naturalist, a short essay titled "On Being The Right Size," which goes directly to the relationship between scaling and structure and the transformations that have to take place mostly in biological -- in animals

and so forth, but applicable, as he makes the point at the end of his essay, on organizations as well.

If you send me the -- the right mailing list, I'll send a copy out to everybody for light reading. It's only about three pages or so.

So back to you.

STEVE METALITZ:

Thank you. I think Tony and Marilyn both wanted to speak to this Steve.

TONY HOLMES:

Yes. Thanks, Steve.

So I mean what Bruce said, I think, is at the heart of this, that it impacts so much of ICANN, but in many different ways.

And one of the important things we have to achieve when we look at this is to ensure that we maintain the appropriate balance so that the policy development in all aspects is done in the right way.

If we don't achieve that, then it leads on, I think very much, to the second bullet on the slide, which is it can be viewed as an internal shortcoming that will certainly extend into some of the external threats that we face.

So in answer to Bertrand's issue, and also to the point Steve made, we're more than happy to provide that one-page input from the ISPs, but I can say that we're already looking at this in some depth as to not only how it affects our constituency but on some of the broader aspects of this as well, and I'm pretty confident that we would be in a position

to contribute in a more positive way and actually have some thinking that we've developed and can submit into the meeting in Toronto, if that's helpful.

MARILYN CADE:

I'm going to introduce a -- perhaps another facet of this particular topic.

We've been, I think, primarily focusing so far in this conversation on the implications for policy development and on structure, but I'd like to introduce the idea for us to begin thinking about something that is occurring in my life, and that is that I wake up at night saying to myself, "The brands are coming, the brands are coming."

And what that translates into for business people is a significantly heightened level of expectation before they even get here.

Now, I'd like to think they're already here in the business constituency and elsewhere, but they're not here in the volumes that we're expecting, and I do not mean to diminish the interest of the generic registrant applicants in any way, but I also take the point myself that people are going -- that the new arrivals, if I could think of them that way for just a minute, are going to go through stages.

They're in a -- an application stage and then they're in an implementation stage and they're -- then they're in a more mature stage, and they migrate out of the applicant stage.

It may be when we think about the impact of new gTLDs on the constituencies, the SOs, and other structures, that we need to think

about a different approach for supporting applicants until they migrate into contracted status.

I think we -- there's a lot to think about, as well as the -- and that means perhaps very significant demands on other parts of ICANN, such as on the services staff.

I'm not -- I don't want to go into detail on some examples, but I just think it's something that we're beginning to think about very much in the BC and it is already -- as Steve said, the demands on us are significantly increasing as well. And so we have a lot of talking to do, and we may be coming to you by Toronto and telling you that we need more resources in order to play our role effectively.

STEVE CROCKER: Yeah.

ROD BECKSTROM: I just -- building on what Marilyn was saying, you know, "The brands are coming, the brands are coming," I think they've come.

When I look out at this room from this vantage point, it is fuller than it ever has been in my recollection, since I've been here, and it's great to see some new faces who I think presumably are from corporations and perhaps their advisors, and clearly I think that the introduction and expansion of the ICANN community with new members from the corporate world is going to greatly strengthen this organization and add to the richness of views.

So it's a welcome thing.

At the same time, it is going to present challenges in terms of the existing structure and how things should be reorganized, as has been mentioned.

But I just want to build on what you said, Marilyn, because I think they're already starting to be here, and that's very encouraging.

STEVE METALITZ: Steve, could we just ask if there are brief comments from any of the constituency members here before -- because we do need to move on to the next topic.

STEVE CROCKER: And you just have. Any -- any comments?

STEVE METALITZ: Kristina, I think --

KRISTINA ROSETTE: Kristina Rosette, vice president of the IPC, and perhaps this was implicit in what Bertrand and Ray were saying, but I want to make sure that I'm clear as to kind of the fundamental perhaps philosophy. Namely, is it the expectation or the plan or the intention that no final decisions would be made structurally or, you know, final plans or recommendations be made by the structural implementation [sic] committee until there was, in fact, active participation by those potential applicants? Simply because it seems to me that while we certainly can do our best to do outreach to applicants that would

otherwise have come from our constituencies to say, "Look, there are some really important discussions that are going to be happening about participation at ICANN and those are going to be happening in Toronto and you need to make an effort to be there," but I also think that there would, you know, have to be kind of corresponding efforts, whether it's using the information that's available in TAS or the like, but it kind of takes me back to the fundamental question of, is the type of decision recommendation going to be made before all of these folks are fully present, integrated, and acclimated.

STEVE CROCKER:

Uh-huh. Ray?

RAY PLZAK:

Real quick, I really would have a problem with somebody saying we're going to freeze the organization in place while we review it. It doesn't make sense. The organization is dynamic. It's living. It's got to change with the circumstances.

And that's why I attempted to differentiate between the content, which was what Bertrand was talking about, the sessions where we go through that, and certainly there could end up being modifications and changes made to structure because of that.

That has nothing to do with the review of the organization in terms of its organizational effectiveness, about the way it handles it and how it plans for it and allocates and requests resources for it.

All of those things that from an organizational body it has to do in order to maintain -- maintain itself and be -- and continue to be dynamic.

So there's no intent to put a mark in the sand that says, "Here's where we're going to make these changes." If the changes are necessary and it has to occur, it has to occur and that's going to be done.

STEVE CROCKER:

The same thought was going through my mind, Kristina. And let me just say the same thing in perhaps another way.

The point that we were making before is that it doesn't make sense to do an assessment until things have stabilized a little bit.

Your comment and sort of implied question is, is it only -- can we only make changes -- can we make changes only after we do the assessment.

And the answer is no. If it's indicated that changes are needed now, then we put that together and that doesn't have to wait for an assessment to be done. But I mean, it's got to be based on some rationale and so forth, but there's nothing that precludes responding to the immediate needs.

KRISTINA ROSETTE:

I understand that. Sorry. I would just make the observation that at least from the applicants that I am interacting with, I think there would be some very significant concern on their part if they were to arrive at ICANN only to find that, "Oh, we've just changed all the rules to figure out where you participate. Welcome." So that's a perception, I think.

STEVE CROCKER: Yeah.

KRISTINA ROSETTE: And again, it's a perception issue, but I think it's a perception issue that I think is going to be extraordinarily important to avoid.

STEVE CROCKER: Yeah. Bertrand.

BERTRAND DE LA CHAPELLE: Yeah. And unless there are many other comments, the goal here was to plant the flag and to say this is a topic that the board cares very much about.

And to answer Kristina's question, one of the objectives precisely is maybe for once to take the issue early enough so that there is time to involve all the different actors, including the ones that are going to come in.

One of the challenges that ICANN has in many cases is that the situations evolve and then comes a moment when decisions have to be made under pressure and time is not enough to discuss.

So I know it is requiring an effort from all actors to try to think forward, but the goal is to precisely bring time so that your concern regarding the full involvement of the actors that are going to come can be -- can be accommodated, and I welcome very much -- and I'd be happy that Ray,

I, and others receive those contributions so that we can prepare together something in Toronto.

STEVE CROCKER: Great. So we're deep into this, and therefore, we haven't gotten onto other things.

Let's pick up the pace.

I think we hear you loud and clear there's a big concern about the impact and the need to grapple with that sooner rather than later.

I don't know that there's a lot more to say now about that.

STEVE METALITZ: Yeah. I think that's right. This is already happening now --

STEVE CROCKER: Yeah.

STEVE METALITZ: -- and I think we've had a good start on the discussion and perhaps we could move on to the next bullet.

STEVE CROCKER: Let's do.

STEVE METALITZ: Okay.

TONY HOLMES:

Yes. So moving to the second issue, hopefully now everyone is aware of the external vulnerabilities that we face. Certainly the Internet governance sessions that have been held I think has brought some of the issues out around that, and all of us that believe in the ICANN model, we've all got some responsibility here. Across the next six months, and I would suggest the next couple of years, we've all got the responsibility of making sure that people do understand ICANN in the right way.

And how that's linked to internal shortcomings is very easy to sum up.

Wherever there are internal shortcomings, it increases the arguments that are going to come against this organization. So we have to make sure we minimize those.

And certainly we had a session before we came in here where we were lucky enough to have Akram come and join us. One of the points that was made there is that ICANN now has this major flagship gTLD program and it's a very important part of ICANN but it isn't everything that ICANN does, and there are some very good things that ICANN does do that we don't hear about.

Those of us that subscribe to the various links where we get messages and updates, we hear the good news. If you look outside of that, whenever ICANN's name appears in the press, it always seems to carry the bad news, never the good news.

So it's -- it is really a point of making sure that the shortcomings that happen in every business are really dealt with in the appropriate way. I

think the previous issue that we discussed is part of that, making sure that we get the balance and the organization evolves in the right way with the new challenges.

But we do need also to focus on some of the good points, particularly to try to get some better news out there on some of the key issues that have been around for a while, RAA agreements being one of those, and trying to ensure that we tackle these in the right way and carry the message to the outside world. It's an incredibly important point of trying to get this organization visible in the correct manner across such an important period that we face now.

MARILYN CADE:

And if I could, I'm -- it's Marilyn Cade. I'm going to call on one of the BC's senior executives who is here, Eric Loeb, from AT&T, who is doing quite a significant amount of work in this external area and I wanted to ask him if he might say something.

I will just note I know I'm shameless about marketing the BC's newsletter. We did bring copies for the board. It has "The Road Ahead for Internet Governance" which has a time line with some of the interesting meetings which I suspect Eric may even be referencing in his comments. Eric.

ERIC LOEB:

Okay. Thanks very much, Marilyn. And Steve, thanks for the time.

STEVE CROCKER:

Yeah.

ERIC LOEB:

I'll be relatively brief, and in fact Tony began this discussion in exactly the right way.

The -- I think the external vulnerabilities are well understood, and within the Internet governance landscape and the various storms that are blowing, ICANN is and will remain right in the eye of it, and that's just a recognition we all must carry each day, and -- and understand this is not going to blow over, so we have to go out and we have to face it.

To Tony's point, it's not just a point here of focusing on internal shortcomings. With any organization, when there is something that goes adverse, it will be creating extra difficulties, and it goes without saying that you work to minimize those problems and correct them quickly.

What can be done as an immediate step, and where there is room for quick action, is that there are positive things that ICANN is doing, has been working on, is continuing to try to do, that are not as fully prepared for communication, and I think that we can anticipate -- indeed, we know -- the key areas of critique that arise from countries, key stakeholders, and should be fully prepared to raise the responses that the -- both the best view that ICANN has on it, and where appropriate, a recognition of where it is a shortcoming that is being addressed.

And a very carefully planned and anticipated approach on this sort of outreach is essential with -- with whether it's the areas of concern for developing countries and certainly with respect to all the issues raised with the GAC.

I also recommend particular attention be spent with governments that are critical of ICANN but not participating in ICANN. And in that respect, doing some proactive outreach, meeting with people, trying to draw them in, listening, addressing concerns is going to be just essential.

So Tony summed things up well. I would just add those further views. And, certainly, the community here is very eager to be helpful in all of those areas.

STEVE CROCKER:

Let me just comment briefly. Thank you very much, Eric.

In a discussion early this morning over breakfast with the former board members who are here, Fadi listened in and responded, My goodness, we got a lot of stuff to do here and we better figure out how to get some leverage. I'm paraphrasing. He was more eloquent.

It occurs to me that your efforts and other seasoned senior, very active and effective people in the community are exactly what's needed to provide the engagement and leverage necessary that it can't be us alone.

So look forward to tightening all that up and having more of that. Thank you.

BILL SMITH:

Bill Smith with PayPal. Yeah, I think it is up to largely the business community, especially at some external organizations, we are the only community that can reasonably participate. It is up to the business community to put a message out that there is a fully functioning, truly

open, transparent set of organizations that are responsible for governing the Internet.

And we encourage participation from all parties. And I think we have a very good message to put out there. And I think we need to be somewhat stronger perhaps in the message that this community exists, and it will continue to exist regardless of what others do.

I don't think that's a message necessary for ICANN to deliver or, say, ISOC or the IETF to deliver but for business, civil society and others to get out and say, This is where we work. And we are going to continue that, and we are participating in your other -- these other activities because that is the right thing to do and we encourage you to participate in ours. But this is the way the Internet operates.

And I think it's a -- we just need to be a little bit stronger about it. And I think that's a good thing, as a negotiating position. Because that's what's going on certainly in Dubai, is a grand negotiation. And we need to have a stronger position, I believe.

JONATHON ZUCK:

Jonathon Zuck from the Association for Competitive Technology and the IPC. I think one danger we have to try to avoid that's comes up in politics all the time is the sort of voting away from the negative and toward the positive and awful lot of rhetoric about this model versus the other one, as everyone quotes Churchill saying that, "Democracy is the worst form of government possible but better than the alternatives."

And I think we find ourselves saying that a lot as well, which is, wow, this is really screwed up here but this is better than the alternative. As we find in politics, that's very seldom sufficient to win the day.

We need to make sure we are actually focused on the positives of what it is we are advocating as opposed to the negatives of what it is we are trying to avoid and really talk about the kinds of decisions that come out of a multistakeholder process or even if we change the name of it, et cetera, so that it's presented as more of a positive as opposed to, Wow, this is what we're trying to avoid.

I think the Churchill quote is overused and is not going to ultimately win the day for us if all we have is reasons that we don't want the ITU to take over this responsibility.

STEVE CROCKER: Yeah, Bruce.

BRUCE TONKIN: I think the message that we've heard from the GAC over the last couple of years has been, the biggest thing ICANN can do for us in this area is truly be multistakeholder, truly be balanced in taking into account those multistakeholder views and being transparent. So I think we get that. And we are all of us trying to work towards that goal.

But in addition to that, really just picking up on your comment, Bill, from PayPal, what else do you think ICANN should be doing? Should it be helping with messages from the business community? Or what we need

to do is just focus on our job and you guys will look after us? That's a little bit of a challenge for us in this area.

BILL SMITH:

Again, Bill Smith here. So the things that for me would help would be, as an example, how many representatives of governments were here? So that I could -- whether I'm blogging or whatever, I could put out a positive message around this is truly -- there are so many people from government, civil society, some statistics like that, that are to Jonathon's point, I think, a more positive message about, This is what this organization does. Here are the good things that have happened.

In terms of the new gTLD process, make sure we don't have more glitches. Let's take a little more time and make -- and actually message that. We're doing this to ensure that whatever it is. So ICANN itself could -- the corporation could prepare some messaging. That would be useful.

The community working together to ensure that we don't make mistakes, I think.

And then another thing is -- for me is getting a message out that both the community and the corporation -- and I believe this has been happening. I think that ICANN especially, the corp, has been saying we are an international organization, right? This is important to the world. And we operate, both the community and the organization, in the global public interest. Get that message out. We can help deliver that, right? Most of the companies that participate are multinationals. We have people in different places, and that's an important message.

And the other thing would be anything we can do to message into the global self is actually going to help in Dubai.

ROD BECKSTROM:

Thanks, Bill. Just want to mention the lead on the ICANN team, just to let people know, is Nigel Hickson, our vice president of Europe. If anyone has suggestions that particularly relate to WCIT, please make your suggestions and offer your assistance to him, or any of the other regional vice presidents who are helping to coordinate the strategy.

MARILYN CADE:

Let me make an offer of what we might do because so many of us want to speak on this, and I see hands on our side and on the board side as well.

How about if we add a couple of paragraphs to our letter to Steve? And we take this up in our constituencies and come up with some concrete ideas and come back. Because we've said in the past two meetings that we think we are the partner -- we think we are ICANN. And we think we are an engine to deliver help because it is our ICANN. So why don't we come up with some concrete ideas and come to you with specifics, including how we help tap the executives from industry and work together on what I would think business is really good at, and that is doing a campaign and being successful. But we're going to need a real partnership with ICANN.

STEVE CROCKER:

Ellen still has her hand up.

ELLEN SHANKMAN:

Ellen Shankman from IPC.

I think the importance of messaging matters. But to answer Bruce's question, I think what we also have to focus on and that message is going to go out and it is going to be internal, is getting this right and taking the time to get this right.

And I think that inasmuch as it matters to try and couch the message that we send, the getting it right will speak louder than any other message. And I believe that we're here as a resource to help ICANN do that too.

STEVE CROCKER:

Yeah, we do need to move to other topics. We, the board, are very interested in feedback from you about the state of affairs of the gTLD program, batching and so forth. So somewhere here we should move to that. I would actually to prefer that and now.

STEVE METALITZ:

Can we do that and move to the next slide?

STEVE CROCKER:

Let's see what the next slide is. These are questions from us. Let's move to the slide after this. So these are questions related to the gTLD program, batching, what are your views on having a single batch and do you think there is anything approaching consensus? What is an acceptable time frame in which to do a single batch, assuming that's the direction taken? On the other hand, if there is to be batching, do you believe there is consensus on a method -- that a method other than

digital archery should be used? So there's a trio of interrelated questions.

STEVE METALITZ:

Steve, could I kick off the thoughts on this. We spent a lot of time talking about this in our CSG meeting that just concluded. I will also say, we haven't really had a chance to talk about it in the constituencies yet. It is a fast-moving target. I think we came up with a pretty good consensus among the people that were there on three points.

The first one really picks up very much on what Ellen Shankman just said, and that is whatever approach is taken here, it's got to be -- the emphasis has got to be on taking the time to do it right, to test it, to make sure it is implementable because the last one screwed up. And we have already spent several minutes talking about how harmful that is in terms of dealing with the external threats as well as the internal problems. So take the time to do it right and make sure that it's as bulletproof as possible.

The second point I think we had agreement on is we're comfortable with the idea of a single batch in the sense of revealing the results of all the evaluations at once or the evaluations and all strings at once. So there is a little bit of a terminology problem but the public -- that should all be made public at once, again, whatever the appropriate time frame would be.

And then the third of that point is you have to make a sequencing decision among those that have passed through the evaluation screen who goes first. We don't have to make that decision today. We

shouldn't make that decision today. And we should take the time to do it right. But we also need to make sure that we're acting in the global public interest in whatever decision that is.

So in terms of which ones -- there will be more than can be processed all at once. That's obviously going to be the case. So in terms of the sequencing, the global public interest concern should be paramount.

We had some specific suggestions about how that could be done. We didn't have consensus on any of those. But we think it is important to take the time to hopefully reach a consensus on those and by having the process -- excuse me, the evaluation done in a single batch, if you will, single reveal of the evaluation status at the end of that time, that gives us the time to figure out the best sequencing option. That's kind of a quick summary of the discussion that we just concluded in the CSG. I will ask my colleagues if there are any points that I -- the last point it needs to be in the global public interest.

I will ask if anybody else wants to supplement that or if there are questions from board members.

MARILYN CADE:

I guess I would ask, could you tell us how much more granular -- we are going to meet this afternoon. Are you looking for something more granular than what we've given you?

STEVE CROCKER:

Ray, you were focusing on this.

RAY PLZAK: No. What you said is fine. It gives us stuff to work with. It is what we need.

STEVE CROCKER: Bill and that's Steve back there.

BILL SMITH: Bill Smith, PayPal. Very quickly, we didn't reach consensus on these in our discussions. Global public interest, some suggestions were things like focus on global south potentially, IDNs potentially in the early batches, mechanisms that would respond to some of the complaints that we have received from the outside that ICANN is not responsive. This may respond to them, and it is something that is of interest to the global public.

STEVE CROCKER: Let me just echo back what I think you're saying which I've heard in very ways just to make it very crisp. There is some set of people, I don't know if it is enough to call it a consensus or not, who are suggesting that we have a single batch or, as Steve says more precisely, a single reveal of whatever the internal is.

And then the second part of the message is that there are some categories -- some subcategories within that one would divide up into IDNs and community strings and geographic strings, whatever, and that those could be -- there would have to be agreement as to what the order is but those could be put forth in those orders.

And then within those, to the extent that there's sequencing necessary, that is still to be determined. So that's the picture that emerges as one possible path to be pursued without having made any decision about that. That caused more hands to go up.

So, Judith.

JUDITH VAZQUEZ: Steve, Cherine and I were at the batching sessions.

STEVE CROCKER: Yep.

JUDITH VAZQUEZ: And we are going to put the notes together and present it for the board.

STEVE CROCKER: Good.

JUDITH VAZQUEZ: Bill knows I was there. Thank you.

STEVE CROCKER: Good. Yep. So that's a very good point. We're trying a new process to reflect back what we are hearing in these sessions. And this certainly will be a key point.

Steve?

STEVE DeBIANCO: Thanks, Steve DelBianco. Steve, you used the expression "a single reveal" of the evaluation results. And I wanted to ask, won't the applicants be fully cognizant of the results of their eval well before the single reveal day through the interactions they'll have with the evaluators and questions they'll deal with? If so, would they be permitted to tell their investors and begin to reveal themselves what they know to be the results of a favorable evaluation?

And I only ask because the importance of the single reveal was that the delegation -- the sequencing of delegations would begin all at once at the end of the reveal. That makes complete sense. But there may well be disclosure of evaluation results in advance of the single reveal.

STEVE CROCKER: Yep. So I think that's a very, very important question, not to be overlooked. Too important to try to answer at the moment here. But I think that if such a decision is taken to have a single reveal, that level of detail certainly has to be part of what has to be thought through and worked out.

Jonathon?

JONATHON ZUCK: This is really just a quick question that might inform some of the conversations we are going to go into this afternoon. Really early on in the process, there was this idea that there might be a random selection; and it was shot down because of some sort of lottery rules in California or something. I feel like that's been later clarified to be an overinterpretation of those rules.

Is it, in fact, possible that if we need to come up with a sequencing within categories or something like that, that we could return to the idea of something that's truly random?

STEVE CROCKER:

Yeah. It can be examined again. I can tell you that the question of using some form of random method has been examined multiple times by people who said, This can't possibility be, surely if we probe it harder or we get better X talent looking into it from a legal perspective or if we climb up the chain to higher authorities that have some discretionary authority within the State of California or whatever.

And the answers keep coming back no, no, no, with a degree of surprise. But that boundary has been tested a lot, not just a little. So I don't hold up any hope even though my initial reaction was the same as a lot of people. I'm sure they were kidding here.

I don't know. But, yes, we can ask again. We will just hold it at that.

STEVE METALITZ:

I wonder since we are almost out of time and you had three other topics if you wanted to get our feedback. Do we go back to the previous slide?

STEVE CROCKER:

Yeah.

STEVE METALITZ:

And go from there. I think we can walk through these rather quickly.

On the RAA negotiations, again, this is something that we've discussed in the CSG. I think we're pleased -- very pleased to see the staff proposal on the agreement. We think it goes pretty far toward meeting not only the law enforcement requirements but also, and very important to us, the priority topics that were identified by joint drafting team of the GNSO and the ALAC.

So we think it's positive. We think one big problem that remains to be addressed is with regard to WHOIS verification, will that apply to people who use proxy and privacy services as it stands now? As we read the proposal, those folks would not currently be required to verify the contact information of their customers. That would be deferred till an accreditation system is in place, and we're quite concerned about how long that might be and how that would be achieved. So we would urge that that be moved up as a much higher priority to make sure the verification of WHOIS data, which is very important, applies to the now 20-some percent of registrants who under the staff proposal, as we read it, they would not have to have their data verified.

The other point that's in contention is what incentives would be used to bring all of the registrars into -- under this agreement. We think the strongest incentive, although there might be others, would be, as some put it, a caret. If you signed up for the new RAA for all of your registrations, you would then be authorized or accredited to take new registrations in the new gTLDs. And if not, no. So that's, I guess, the stick part of it. I think that's the strongest incentive and one that should be -- that should be adopted.

But I do want to make it clear that we think the staff has made a lot of progress and we also agree with what we heard from Akram today that this is a very high priority and something that, in terms of the external world, it is important to reach a successful conclusion on it as soon as possible. The board wanted it done much faster than it is being done. We are where we are. Let's get it done. We think the staff proposal has a lot of very positive features in it, although not everything we would like to see. But we think it is a good -- very good way to go. Should I just continue on -- should we continue on on these other points?

STEVE CROCKER: Yeah, good.

STEVE METALITZ: Did you want to summarize on the WHOIS?

TONY HOLMES: Yes, thank you. On the WHOIS, we've certainly been following that very closely. And I think a number of these constituencies have commented at various phases. We were very pleased with the final report that came out of the WHOIS policy team and certainly think that they did a really hard and difficult job in an excellent manner.

We are fully behind the recommendations that have come out of that work, and we're looking to the board to act on those recommendations.

We feel that there is a need to act, and part of that links in with the AoC commitments, that there is a commitment to follow up on this. And we

would urge the board to act as quickly as possible on those recommendations.

MARILYN CADE:

I did want to add one point. To the point -- to the question of what aspect should be subject to policy work, what we discussed is when we say that this is a priority, we know that you interpret that to mean the needed resources and budget and that may mean additional resources and budget that have been identified.

But, secondly, any item that is sent to the GNSO's policy council for PDP needs to come with an assumption that it is to do a PDP for implementation and not a PDP about whether to do it. I think one of the things we see is that the recommendations coming from the review teams should have a special standing: ATRT, SSR, WHOIS and consumer competence and trust.

STEVE CROCKER:

That's an interesting -- and point taken. It raises in my mind some fine points about legality.

Bruce?

BRUCE TONKIN:

The other thing we heard certainly in this session that, I think, was in the RAA -- I'm getting confused about days now, whether it was yesterday or today. It might depend on the different constituencies. I suppose there has been two mechanisms that's been used to get change. One is the RAA negotiations, and one is the PDP process.

And then I've heard a number of speakers this week saying they didn't like the RAA process because they weren't part of it. And I suppose the other option is PDP. So part of my interest here was getting a feel from this constituency. Do you want the staff to really be pushing hard and just taking something like the WHOIS review team and just trying to negotiate that with registrars? Or do you think that they should be actually engaging the GNSO more on this, which actually has all the processes built in to ensure full participation. That seems to be just a general tension that's happened over the last six to 12 months, with an attempt to do things faster in RAA which doesn't seem to have been as fast as people want versus actually using a (audio problem) and the concerns that a PDP would be too long. I think that's part of the struggle.

What's the right process to actually get community involvement in making the changes?

MARILYN CADE:

Bruce, what I will say -- it's Marilyn Cade. I think we can welcome the question that you've asked and take it up this afternoon and talk more about it. The question of whether our policy-making process is efficient enough is a good question.

The question of whether we should have multiple policy-making questions is also a good question. Maybe we need to talk about it this afternoon in our constituencies and over more time because we can't get an answer now.

STEVE METALITZ:

I think we can -- at least from the IPC perspective, a partial answer, we think a lot of this can be done in the RAA. We reject the criticisms that the RAA -- that ICANN cannot contract with the registrars to decide some of these issues. We think the WHOIS review team sends a very strong signal about what the directions ought to be. Let's get those things done as quickly as possible.

If we can get them done in the RAA, get an agreement -- a final agreement done, wrapped up in Toronto, let's do it and let's put that incentive out there so that the registrars know if they want to participate in the new gTLD marketplace, they will sign up to these new standards.

And we think it's totally within the realm of the board to say a strategic priority for this organization is improvement of WHOIS accuracy. That is not a new policy, but it is a priority. And to set metrics for it, that's some of what's coming out of the WHOIS review team.

We have already stressed our concern about whether proxy and privacy service accreditation, how will that be handled? Will it drag on a long time? Let's find an expeditious process to do that -- (multiple speakers).

BRUCE TONKIN:

What are the rules to privacy proxy? Is that just a negotiation, or is that a community process? That's just an example.

STEVE METALITZ:

That needs to be worked out. But let's set -- put a time limit on and it and say in the RAA that we'll give that process a year to work. And if it doesn't, ICANN will issue those standards. That's the approach I think we would encourage to really try to come to grips with these issues.

TONY HOLMES: That is also an approach that's supported from the IPC side as well. We think there is a great need to have an expeditious process that really makes ICANN's vision realizable and protects the organization, once again, from some of the potential threats that arise if we can't make progress on these issues.

MARILYN CADE: I just want to quickly agree on behalf of the BC. But if Bruce is asking a longer term question, we can't answer the longer term. On the RAA, we support it.

STEVE CROCKER: Bill has been trying to get in here.

BILL SMITH: Bill Smith, PayPal, and, as I have been saying, retired member of the WHOIS review team. I can't speak on behalf the review team. It no longer exists.

I can speak about sort of our thinking behind the recommendations we made.

The recommendations to the board, number one, we expect the board to make decisions about how to implement, okay? We expect that to be timely, and I think it is good that the board is seeking input from the community, but the responsibility, in our opinion, lies with the board to decide which is the best approach to take in terms of if new policy needs to be developed, should the board put it in the RAA, should it do this.

And that's really the extent of my comment, is the responsibility is yours. We've done the best we can. You certainly can reach out to any of us to ask what we might have discussed that we didn't put in reports. But I think you're doing the right thing.

STEVE CROCKER:

So, good. Thank you very much.

Now, Marilyn passes me a note which causes me to wonder about how much I am going to believe what she said. We have a two-minute response on budget ops cycle. Want it now or via e-mail? And the question in my mind: Is it really two minutes? I'm being a little facetious.

Real briefly, because we are over time and we'll bring it to a close here.

CHRIS CHAPLOW:

Thanks, Steve. Chris Chaplow, vice chair finance operations and chair of the CSG budget and operating plan work group. I will do my best two minutes. I got a few quick points. Certainly we support the CFO, Xavier Calvez, on his work and the initiatives that he's put into practice in this year, which is obviously the budget cycle FY13. That's just closed, and that's his first year. There is a number of initiatives there that we support him on.

In order for us to be meaningfully helpful in the multistakeholder process, we still need another level of detail. In this respect, FY13 was the same as on FY11 and FY12.

So we're asking, let's get together and start for FY14, we're the second level of detail.

If it is an authority issue, let's ask -- I'm sorry, the Board Finance Committee to give that instruction to go another level of detail. And if it is a technical or software issue, I don't know what it is as far as a board solution in that respect.

Another quick point, we support the concept -- the relatively new introduced concept of core actions and projects. Sort of a lower-level point to help this along projects, projects of defined more than a general title and a description. It would be a big help to have unique identifiers. We should be good at that.

So reference numbers, staff member responsible for the project, some sort of targets in the budget, perhaps are linked to the Wiki of where the project is because we waste time identifying projects and then finding it is covered somewhere else and duplicates and this sort of thing.

STEVE CROCKER: Thank you. Good.

CHRIS CHAPLOW: Thanks, Steve.

STEVE CROCKER: So I think we do have to bring this to a close. Thank you very much. As I said at the beginning of the session, these are organized for frank and

candid discussions. I think there is no question we've been there today.
And it's helpful.

Rod?

ROD BECKSTROM:

Just extremely helpful feedback. I think we are coming to a close here.
I just want to say thank you to all of you. It is great to see the growth in
this group.

As Bruce mentioned, the hundreds of new applicants for new gTLDs
could potentially become members of this stakeholder group or, I guess,
any one of four others possibly. That could be an exciting change for
ICANN and also lead to strains on the organization as discussed. But I
think overall extremely positive.

And I just want to thank all of you for the great hard work you've done
to help shape the new gTLD program, all the protections in it, and now
moving into the further phase of implementations.

It's been a great experience to be able to work together with all of you.
And I thank you for all of your great efforts. Thank you.

STEVE CROCKER:

Thank you.

Marilyn, Steve, Tony, thank you very much.

[Applause]