CHAIR DRYDEN: Okay. Welcome, everyone. Let's get started.

We received a proposed list of speakers and topics a few moments ago, so Jeannie is just confirming that that is being circulated to the GAC list.

There's also a slide presentation that we received. (audio cutting in and out for the scribes).

Clarity about what the GAC would like to cover in this session and what we think is important. And then hopefully we will have the. (no audio).

Circulated to the GAC, and then we can project the proposal we received for how to structure the session. (no audio).

Our concern (dropped audio) models that are in the marketplace. (dropped audio) as well as of the registrar, and then looking as well at registrant types. They can vary from individual companies (dropped audio).

That are based on integrated value chains. We did receive a proposal from the registries to talk to the GAC (dropped audio) various markets such as premium direct markets,
consumer direct markets, resellers and those that have a ccTLD focus in the market.

From a GAC perspective, we have (dropped audio), we have particular (dropped audio) contractual.

(scribes have audio cutting in and out).

(no audio).

So we have added further clarity (dropped audio) and that includes ICANN having direct contracts with certain industry participants, having indirect relationships with others, so the difference between registries and registrars and resellers in the market. And ICANN's practice to not, again, in effect.

(dropped audio)

--service providers. So that provides a bit of context.

And if I can just ask, then, for the list of speakers and topics to be projected on the screen.

(Scribes temporarily off audio and will come back on momentarily.)

CHAIR DRYDEN: Okay. So this was the agenda that was provided to the GAC.

Okay. So this was the agenda that was provided to the GAC earlier. Kurt, can you walk us through that?
Thank you, everyone, for affording us time today. The GAC has been very generous in providing this much time for this presentation in its schedule. Nonetheless, it's a very rich topic, and we brought a number of speakers from a variety of backgrounds to best inform you. I have asked them to give very brief presentations, because we think the most meaningful exchange of information might be through questions and answers in the end. So that's been our direction.

And per the GAC writing, we have sought to provide a representation of broad market. And so we'll start with a brief description of the overall registry environment, gTLD and ccTLD, by Kim Davies of ICANN. Then next is a description of the gTLD registry models. Ken Hansen, I'm told, is off-site and on his way here, but if he can't make it we'll have -- of NeuStar, but if he can't make it we will have Francisco Arias of ICANN and formerly of dot MX to report on that. ccTLD registry models will be described by Ondrej Filip. Then Tim Cole will give a very brief overview, and Matt Serlin will describe domain name life cycle of a gTLD domain name. How it's registered, how it operates, and then what happens when it expires.

And then we'll have a description of the gTLD marketplace from a registrar's point of view by Matt Serlin of MarkMonitor, Ben Anderson of Group NBT, and Jeff Eckhaus of Demand Media, and they will
describe different ways of registering a domain name either through a registrar or reseller or proxy service, different registrar business models, how they might bundle services, and what happens when a domain name expires, whether it's rebought through a drop pool or reclaimed, how that happens.

And then I am just going to briefly indicate what's coming up with new gTLDs, and this might pose some questions and a future look forward how the marketplace might be affected with the introduction of new gTLD names.

So with that, if Heather will start the presentation and Kim will give an overview.

CHAIR DRYDEN: Thank you, Kurt.

I did note that there doesn't appear to be a presentation on the topic of ICANN's role with contracting or deciding to not contract with certain actors in the market. Is that something that we can cover today in the presentation?

KURT PRITZ: Certainly. Tim Cole will describe the registrar accreditation process and how registrars are accredited and then become contracted with ICANN in order to sell domain names.

CHAIR DRYDEN: So to be clear, that relates to the compliance side of ICANN's role.
KURT PRITZ: That's correct. And then -- I'm sorry. We have to share a microphone.

And then Kim Davies will describe some of the differences that we're all aware of, but between gTLDs that have a contract with ICANN and ccTLDs who do not have a contract with ICANN.

CHAIR DRYDEN: Okay. Thank you.

So you wanted to hand over to --

KURT PRITZ: Kim.

CHAIR DRYDEN: -- Kim.

Okay. Please.

KIM DAVIES: Hi, everyone.

Next slide, please.

Okay. So as Kurt mentioned, the idea here is to give a very high-level overview of the entire marketplace, and then subsequent speakers after me will go into more details about these actors in the industry.

Firstly, we have registries. Registries are responsible for maintaining the authoritative database of which domains have been registered within a
particular top-level domain, and registrants are the entities that seek to register domain names.

Now, we also have within the industry various intermediaries that are responsible for transactions between registries and registrants. The most common are registrars, which typically are the commercial interface to our registry transactions. We also have resellers, Web hosting companies, and others involved in the marketplace.

And of course we have users of the domain names as well.

Next slide.

With respect to registry models, really they run the whole gamut, and the next slide, in a moment, will explain it a little more. But the most open model that we have is essentially first come, first served with no other restrictions. So there might be some kind of registration fee, but other than that, if the domain name isn't currently registered by some other party, then as long as you are the first person to come and get it, then it's yours for the taking. From open, we have various levels of restrictions towards highly restricted domain names. For example, we might have a domain name that's targeted to a very specific segment. Sponsored TLDs are a good example of those.

We also have cases where there's relatively loose restrictions on usage. The domain is targeted to a particular segment but there aren't a lot of restrictions in terms of registry policy with respect to enforcing that.

As is often the case with ccTLDs, sometimes registration, for example, is limited to a specific country. Either local presence is required or you must be a local entity registered in that country and so on.
So next slide.

This matrix is something we produced a few years ago, but it seemed like a good illustration of the kind of diversity that we have in terms of TLDs in the marketplace. So what we have across the top is the level of ICANN involvement in the management of a particular TLD.

So ICANN is most fully involved in how TLDs are run on the left-hand side, ranging all the way to the far right which is ccTLDs that have no documented relationship with ICANN.

And in between those, we have other sort of subcategories. We have sponsored TLDs, a subcategorization of gTLDs. Now, whilst they are contracted with ICANN, they have some responsibility for the policy and the community for which they serve. We have ccTLDs that have executed contracts with ICANN, which is something that is from the early time of ICANN. It's not an approach that is used today, but some of the original ccTLDs to enter a written relationship with ICANN executed formal contracts. And then we also have ccTLDs that have executed an instrument associated with the accountability framework program.

So in those cases, it's a fairly lightweight relationship with ICANN. The ccTLD is making certain commitments, ICANN is making certain commitments, but it's not as heavy handed, I suppose, as the contracts and doesn't mirror the nature of the gTLD and sTLD contracts with ICANN.

But one thing that this matrix illustrates is that even though there is this range of accountability or involvement to ICANN, ranging from gTLDs to
ccTLDs with no documents, it doesn't tend to impact the customer perception of whether it's a restrictive or unrestrictive domain. So we have highly unrestricted gTLDs like dot com, dot net. We have highly unrestricted ccTLDs. We have dot TK and dot TV, for example.

But similarly we have highly restrictive gTLDs and we have highly restrictive ccTLDs.

So there's really a diversity between the various relationships TLDs have with ICANN and the customer perception of how restrictive a domain is.

So that kind of paints the landscape a little and my colleagues will go into a bit more detail in the follow-up presentations.

I think the next -- next slide belongs to the registry presentation for gTLDs. I'm not sure if Ken Hansen is here.

>>

He is..

KIM DAVIES: He is? Wonderful. So I will pass it over to him.

KEN HANSEN: Okay. So this, the next couple much slides will be geared primarily toward generic TLDs. At the top, the graphic depicts the relationship between the registries, registrars, and resellers. Essentially, registries are interconnected, depending on the type of TLD, to one or more registrars or wholesale registrars who sell names through a reseller network to registrants.
The services that the generic registries provide today, and these are the basic core services, of course, the shared registration system, the DNS. Of course, registrations, as they come in, the registrars are connected to the SRS. The names are registered into the database, pushed out to the DNS infrastructure. That DNS infrastructure can be owned and operated by the registry or, in some cases, they have outsourced that to a third party.

They generally also provide the WHOIS. So they push the information about the registrant to the WHOIS directories for public availability.

Customer care. Billing, reporting, and of course support for IDN and IPv6 are our new requirements for new registries who have applied.

And the basic pricing structure is the registry sets a wholesale price for the domain name per year. The registrars themselves determine the retail price to the registrant.

Registries also support sunrise services for the trademark phase of their launches. They typically do have a separate wholesale price for that sunrise phase of the launch of a new gTLD. It is typically higher than the standard registration fee.

And in the current registry world, there are a limited number of reserve names. Typically, the one- and two-character names are reserved and require ICANN approval before they are launched. Most registries with approval who have launched that have done that through an RFP process and then an auction process, to which the highest bidder would get the premium name.
The distribution network, as I said earlier, registrars and resellers determine the price.

The technology infrastructure -- and here, there are really two primary models. As we saw in the new gTLD applications, some registries contracted parties with ICANN build and operate their own registry infrastructure and others choose to outsource that service to the third-party registry service providers.

The vast majority of applicants have elected to outsource to existing registry service providers.

The contracted parties with ICANN who outsource their registry services typically will continue to have responsibility for all of the marketing, for the distribution channel and the promotional activity.

There are generally two types of marketing. There is kind of the awareness marketing and brand marketing, just to make the market aware that your TLD exists and is available, and marketing that's done through the registrar channel, typically through marketing programs that the registries offer to the registrars, that would incent them to feature or promote their top-level domain in return for a commitment of some kind from the registrar.

Next slide.

So this is a very high-level view of the -- of types of gTLDs. The one we're all most familiar with, of course, are generic key word TLDs like com, net, biz, info. These are generally dictionary words or specific industries. They are generally open, but they can be restricted, and most often have very broad distribution from many registrars. Of
course, it depends on the top-level domain and the demand for that particular TLD.

And then we have brand TLDs, a new innovation with the new gTLD be program, and these are generally company names, product names, and service brands.

Many brands, of course, have even -- have also applied for generic key words. In those cases, some of them are highly restricted.

Brand TLD is company names, service names, typically have a single registrar. Although the ICANN requirements require that they make any generic TLD available through any accredited registrar, since most often there's only one registrant -- that is, the brand themselves -- they will select the registrar they intend to use to register their names and that means other registrars won't be interested. Why get accredited if the only registrant has already selected their registrar. So they are typically single-registrant generic top-level domains.

Then we have geographic generic top-level domains. And in some ways similar to country code top-level domains in that they are targeted at a specific geographic area. They can be open, just like ccTLDs, sometimes they're open or very restrictive. Or they can be highly restricted. They can be restricted, for instance, to businesses, organizations, or those who live in a particular geographic area. That's sometimes referred to as a nexus point of impact.

And then we have community TLDs, existing, what I would call community TLDs. We used to call them sponsored TLDs. Dot travel, dot coop, dot museum would be good examples. They serve an identified
community, and they do carry registration eligibility requirements, and the registries generally support a process to facilitate authentication or validation of the registrant as a member of that specific community. And something new: Cause-based generic top-level domains who have something other than commercial interests in mind who are trying to do good or make something happen, support a cause. An example of those might be a dot green or a dot eco. There's an applicant for dot HIV in the new gTLD round.

And sometimes these are for-profit entities, sometimes nonprofit.

This is a high-level overview. Obviously, there will be many new models as these new generic top-level domains come to market. But that's a high-level overview.

Any -- Any questions?

CHAIR DRYDEN: Thank you very much for the presentation.

Is there a request to speak? Kenya, Germany. Okay. And then let's continue moving through so we can do questions at the end, but Germany, please.

GERMANY: Yes. Thank you for this presentation. It's quite interesting.

Can we go back one slide? I think in the beginning, it was quite interesting to see that there is possibilities to sell premium name, sales in some cases might be an auction.
My question is in case of auction and premium names, how is allocation of the price between registry and registrar? Because normally I think it's the registry that has a fixed price for all kind of domains, and in this case probably the registry receives at least a part of this additional revenue. This is my first question. Thank you.

KEN HANSEN: Yes, so I'll speak to how this has worked in the past for premium names, one- and two-character names. Those would be released by the registry to potential buyers of those names. Very often, the registrars would participate in publicizing the auction.

The name would be awarded to the highest bidder. Those auctions typically take place on auction platforms. There are multiple auction service providers out there. So the highest bidder gets the name. That fee is paid to the auction provider. The auction provider pays the registry.

The winning bidder is then provided with an AUTH info code. They take that AUTH info code to the registrar of their choice, and they register the name with that registrar essentially -- typically it's done as a transfer into that registrar, and they would pay the standard registration fee for that TLD that the registrar charges.

So typically, the bulk of the revenue for a premium auctioned name would go -- be shared between the auction provider who charges a fee and the registry -- the registry.
CHAIR DRYDEN: Thank you for that question and reply. If we can continue with the presentations.

So Ondrej Filip, I believe, is going to present on ccTLDs. There you are. Please. If you could go ahead.

ONDREJ FILIP: Thank you very much. You know, describing ccTLDs is quite a hard job. You know, you saw from the previous slides that the gTLDs are really different; that they are not the same. And the ccTLDs are inverse in that. So there is probably no single model that you could -- that at least two ccTLDs would fit. So that's a problem.

Partially it's caused by the fact that they are unregulated by ICANN. You saw in Kim's slides that some of these ccTLDs signed some sort of contracts with ICANN, either a contract or some documents related to accountability framework, either exchange of letters or memorandum. But all those papers are not really binding enough. You know, it really doesn't say how the ccTLDs should solve disputes or things like that.

So ccTLDs really are related to some nation, some country, and they somehow, usual respect, they have some national jurisdiction and some specifics.

I think one good example is some countries have black lists of names that can't be registered for some historic reasons or whatever reasons they have. And there are more than that. There are a lot of specifics in every gTLDs.
Another thing is that ccTLDs usually have some own accreditation system for the registrars. So they may have very different conditions. Some of the registries sort of follow ICANN's accreditation or respect ICANN accreditation but it's definitely not a major rule. They have completed different conditions and criteria -- for example, presence and things like that.

And a last point which can be made on the registries is that they might be second level so we have registries like dot DE, dot CZ that uses -- that have subdomains directly on the second level, and there are countries that use, you know, third level like Brazil or United Kingdom is a good example. So there's definitely not a single description of ccTLDs.

And there are even countries that combine those two models. So you might either register on either second or third level. And those domains might have different conditions, fees, and everything. So it's really hard to describe those domains.

Next slide, please.

So talking about models, the same applies for the registries themselves. There are registries that are not-for-profit, and I would guess it's majority of them, but I'm not sure about that. But there is a lot of registries that are really normal, for-profit companies and their main goal is to make as much money as possible.

The model -- The legal basement model or the structure of the company might be also very different.

From the historic reasons, a lot of ccTLDs started in academic environment. Jon Postel contacted people around the world and he
tried to find contacts that could operate the main and, of course, from his -- because Internet started, and usually on academic environment, he, of course, find a lot of people on universities. And some of those TLDs or ccTLDs stayed in universities and are now operated by universities or research networks or companies like that.

In many countries, companies -- local community was able to form an association that's currently running the domain. And also there are some other similar forms like foundations or things like that.

In some countries the operation of TLD was transferred to governmental institutions. So we have a lot of registries that are run by the government. And as I said here before, there is a lot of registries run by private companies that, you know, are owned by private -- private people, and they are not really related to government at all.

Next slide, please.

So again, how they are tied with the local government may differ a lot. There are countries that have some local law which are related to domains. I think France is a good example of that. Many registries try to solve the cooperation with the government, opposition to government with some sort of agreement or memorandum. But, you know, those agreements may very differ. For example, in dot CZ, we signed the paper which fit in one page but some of the documents may be much larger. And there are companies that have no relationship to government and even don't have any friendly relationship, so that might cause some problems and sometimes we can see a redelegation.
One very special case are ccTLDs that are sort of licensed or sold, I don't know which would be proper, and they're operated like gTLDs. I think very well-known example is dot TV which was a domain of Tuvalu, but it's more run as a generic registry, as a domain for TV companies and things like that.

So, again, every country is a little bit different, every model is a little bit different.

If I just pick up this region we are in now, CZNIC is run by association that has agreement with the government. Slovakia, the eastern neighbor, is run by a private for-profit company. North neighbor is Polish. They -- it's run by national research network, and thousand -- and western, they are run by association Germany and Austria. So even in that region we have a lot of different models, so there is definitely nothing that all the ccTLDs can be fit in.

Next slide, please.

With that, all the ccTLDs have eligibility criteria. Some are very liberal, so everyone can register -- for example, dot CZ, dot DE -- but some of them have some more restriction. They are either technical or administrative restriction.

Some of the TLDs require local presence. I think it's, for example, the case of Slovakia where you have to be a Slovak private person or a company to register. Some ccTLDs couldn't doesn't allow to register domain for individuals or they, for example, restrict the number of domains that a company or some institution can register.
Some ccTLDs have special rules that, you know, just right holders or company names can register domains. So that’s also very different.

Some TLDs require local administrative contact. That’s, I think, case of Germany. So you can, from any state you are, you can register German domain but you have to have somebody who can locally, for example, solve the disputes and things like that.

So, again, this is very, very different and there is no single rule on that.

Next slide, please.

And with that, the dispute resolution is related. You know, in gTLD space we have one single system called UDRP, and some ccTLDs follow that system. So they are either completely respect the UDRP system or they have some slight modification, but that’s not, definitely, all of them.

Some ccTLDs can use some arbitration, which is somehow mentioned in the local law. That’s, for example, here in Czech Republic, we use arbitration, and a domain holder who registered domain name (indiscernible) can, for example, compensate some money to the company -- or the individual who sue him. So that’s a bit stronger instrument than UDRP.

And some countries do not use those instrument. Just let it to general jurisdiction court. Again, I think Germany is a good example of such registry.

And there are some things -- some other things.
ADR in dot EU domain is an example of a completely different system and a different way of how to dispute -- how to resolve the dispute.

And I think that's my last slide, if I'm not mistaken.

Yep. Thank you very much.

CHAIR DRYDEN: Many thanks for that.

Next we have Tim Cole and Matt Serlin. Please.

TIM COLE: We're over here.

My name is Tim Cole and I am with ICANN, and I have the registrar group at ICANN. We oversee the accreditation -- we oversee the accreditation of registrars as well as the ongoing interface with ICANN in terms of their contract and so forth, administrating their contract and any amendments and so forth.

We're just going to have this slide up for a couple of minutes. It's also in your materials simply because we think it sort of tells a story.

We start at the registry level, and then this tells a story starting on the far left. When a name gets registered or the different options that might occur when a name gets registered through the existence of the registration, and then on the far right at the expiration or termination of the name.
So we will have different speakers speaking to some of these different segments with regard to, for example, addressing resellers at the front end or proxy services, and addressing the bundled services that might be offered throughout the life of a name and addressing, finally, what happens at the end of the period.

But I know there's also a question about how we go about approving or accepting registrars and entering into a contract in the first place. And so I would like to say that my team oversees the application process. We have a fairly extensive application. It's over 40 questions, and they have to provide a number of supporting documents. The questions go into their financial capability, into the technical capability, into the security with which they run their businesses, and also a number of questions that they have to demonstrate their knowledge of the consensus policies and the contract itself so that they can demonstrate that they, if they become a proved registrar, that they know what they're doing.

So we also conduct a variety of background checks in-house as well as we have a third-party provider that we engage to do background checks in their own country with regard to any lawsuits or bankruptcies or other activities that may be in the public record or be known about these companies.

So I think we do a pretty rigorous background check. And then throughout the life of that registrar, they have a term contract, and at the end of each term we review them for a renewal.

So that's just real short overview of the contract part of it. Now I'd like to turn it over to Matt Serlin, who is the chair of the registrar
stakeholder group. And he's going to sort of give an overview of the registrars themselves and introduce the other people who are going to speak.

MATT SERLIN: Yeah. Thanks, Tim. If I can try not to knock anything off the tables as I move to the mic. Yeah, next slide, please.

So what this is is a graphical representation of the disbursement of ICANN accredited registrars by country.

And so what you can see here is, all told, there are in the neighborhood of a thousand total accredited registrars. This does not take into account resellers of those registrars. And so my colleague, Jeff Eckhaus, is going to speak to the resellers. But I think it's fair to say that, if you look at the distribution of resellers, you would find that a lot of the reseller activity is from regions where there are not a large number of ICANN accredited registrars. So Jeff will talk very specifically to the resellers and some of the motivating factors and business decisions that drive folks to become resellers, what the typical reseller profile is, and other points as well.

The other several points that I wanted to raise was that in the registrar business there are a number of different business models. And we'll talk very specifically between Ben and Jeff to some of them. But it is a very diverse group of business models that target, you know, in some cases very specific markets, very specific users. And, as the registrar is the -- generally, the face of the domain name system to the end user and the consumer, some of those are very different, as you can imagine.
The other thing I also wanted to mention is that Tim talked about the accreditation agreement and process that registrars have with ICANN. The other important thing to note is that, once a registrar becomes ICANN accredited, they then have to go out and enter into separate individual agreements with every registry operator. So not every ICANN accredited registrar sells or stocks all of the different gTLDs certainly and even on the ccTLDs. So a registrar can choose, for example, to only sell dot com or dot net domain names or any combination of the gTLDs that are available today by, again, going out and entering into a specific agreement that, as Ken talked about, in the case of dot biz, NeuStar.

And then just a brief comment on the registrar stakeholder group, which is the group within ICANN that represents the registrar’s interests. And we're about, all told, about 90 members that represent about 75% of the gTLDs that are registered today.

So, really, a good representation of names that are registered are done by members of the stakeholder group. And that's why the stakeholder group is, obviously, very active in policy matters that take place in ICANN as it affects us and our customers operationally as well.

So, with that, I think now Ben and Jeff are going to talk to specific business models that you had wanted to get some information on. And then we're hoping to leave plenty of time for questions as well.

BEN ANDERSON: Thanks, Matt. I'm Ben Anderson. I work for Group NBT, which is a U.K.-based registrar. We deal in various different business models. But, primarily, we undertake corporate domain name management.
Corporate registrars like NetNames and Markmonitor are primarily focused on providing portfolio management to their clients. And they range from online businesses, large well-known corporates, household brands, and IP rights holders. Typically, corporate registrars hold a mix of ccTLDs and gTLDs across the portfolios of their clients. I think, if we get the slide up -- there we go.

So the relationship between the corporate registrar and this client is not transactional. It’s based on lengthy contracts and the relationship is built up over time. These customers can include, as we’ve got up there, international bodies and governments as well. So some of our customers will be the governments that you represent.

As well as providing the domain registration, companies like ourselves, we’ll often offer complementary products and a suite of services that are around brand protection that enable rights holders to monitor, track, trace, and prosecute online brand abuse. So we bundle those in our services as well as the domain registrations. But corporate registrars work closely with law enforcement, usually undertake UDRP proceedings on behalf of their clients as well.

If we move to the next slide, please.

Looking more then at a consumer registrar, consumer registrar’s focused on individuals and small businesses, often selling domains in volume at a lower price. Most of the consumer registrars have a transactional business model; therefore, they take payment online by credit card or Paypal. And, to complement their offering, they usually bundle their services into packages. For instance, they will offer hosting
and mail exchanges along with web design templates so you can build your own Web site.

So those services allow small businesses to get online and for individuals to create their own online presence. This is more of a distant relationship. Everything is done through control panels rather than being the fully account-managed service that corporate registrars undertake.

So now I'll hand this over to Jeff, and he'll talk you through the reseller model and some other points.

JEFF ECKHAUS: Thank you. Okay. So the term "reseller" is used often in many discussions. And, while some people do understand that model and the players, I just wanted to give everyone a quick overview of that model, who those players are, and how they interact with one another.

So what is a reseller? In its simplest terms, it's a business or another entity or actually maybe even sometimes an individual who will contract with an ICANN accredited registrar to sell domain names. And at times they'll sell other complementary services.

So, to be clear, what happens is the reseller will use the registrar's technical infrastructure for managing domain names.

And like that -- this model is used -- you might see it in other areas such as the telecom model. You'll see it on wireless services where other people resell those other services because they do not want to build their own huge technical infrastructure.
And, since the registrar maintains the technical infrastructure, the reseller will typically maintain the customer relationship, which means they will source their customers, they will speak to their customers. But they may outsource other functions such as the customer support or the payment functions. And this is decided upon by the reseller, depending on how large or how small they are or what their specialty is. I have to say there's a pretty good mix of some of those. My company will provide some support for some resellers but not the payment. And it's a sort of a pick and choose of what they would like to do. To give you some scope of how large this is, some of the largest registrars out there will have over 5,000 resellers each. My company eNom has over 8,000 resellers at this time. So it is a fairly large market and fairly global.

As we saw on the map earlier, in some of the countries and some of the regions, there are very few ICANN accredited registrars. But for resellers, we're able to service those areas by -- I couldn't tell you the specific numbers. But we have resellers in most of the countries in South America and many in Asia where there are only one or two ICANN accredited registrars. So they're able to service people there who would like to buy domain names and actually still speak to people in their own local language and have a local presence as opposed to having to go to either North America or Europe.

So, besides those, I'll walk through who are domain name resellers? The largest search engines and web portals -- I don't want to name names. But you can infer from here, they are domain name resellers. When you go to their sites, they'll offer domain names along the other services. Same for telcos and ISPs. Some of the Web hosting providers I think have been discussed. They also sell domain names. But some of
the other people also are retail domain name resellers where they'll just go out and sell domain names to the public. And they just decided not build out the structure themselves.

And, last, there are businesses that offer other services that they would like to offer domain names but it's just not their core business such as incorporation sites or other sites that help people manage their business. They said, okay, you know what? We'd like to get people a domain name because they'd need it. But it's not their core business. So they are not going to build out the infrastructure.

So, to go to the next slide, why chose to become a domain name reseller? Cost is a major factor. It is not a simple thing to just sign up with the registries and with ICANN and become an ICANN accredited -- and to sell domain names. As you know, this is a key part of the Internet infrastructure and there are standards that must be met. So a home-grown -- call it a pretty good solution just does not work. It has to be up to standards.

So, for a lot of people, they don't have the ability or they don't the finances to be able to build out infrastructure. So they rely on registrars to provide that service for them.

Another piece is -- some of you may not know, but accreditation in certain gTLDs requires large insurance payments.

This is something for people not only in, you know, in the United States, Europe but also in other developed countries where they do not have the ability to attain these large insurance contracts to sign up or to sell
certain gTLDs. So they'll work with -- they'll become a reseller so they're able to sell those gTLDs.

Simple things like lower per domain costs when you go through a large provider, you're able to get economies of scale and able to get better pricing.

And the other piece is -- I wrote "ICANN fees." I think one of the pieces here is that, to become a registrar, you have to follow all the policies and issues and, you know, coming to these meetings and understand it all. And there is a large cost involved there. And, for a lot of resellers, they're not able to invest in that cost. So they'll rely on the registrar to handle those like what is a consensus policy? What do I have to do? They'll rely on us as the registrar to handle those issues for them. So I think those are some of the main reasons.

So how do resellers interact with registrars? Typically, it would be through an API. But they could also operate a web storefront that the registrar will provide for them. And they're able to brand it for themselves. As I said earlier, you know, the reseller will maintain the customer relationship but may outsource different facets of their business to the registrar or to other providers.

So that is, in a nutshell, the overview of the reseller registrar model. And the next slide, please.

So I know there was some questions about privacy/proxy services. So, again, I just wanted to give an explanation of what it is. In its simplest terms, the current WHOIS requirements mandate that domain registrants give name, address, phone number is all publicly listed and is
allowed to be queried by anybody at any time. So, for certain people, they don't want that information out there that anybody can see at any time. So they'll contract with a privacy service. And what they'll do is provide their own contact information in that publicly available WHOIS and then redirect the requests that come through to the original registrant.

And the providers of this -- typically, it is a domain name registrar. So, when a customer is purchasing their domain for the first time or maybe afterwards, they will see that as an option in their purchase path and they will purchase that through their domain name registrar.

Another popular one is through law firms. Law firms will purchase domain names on behalf of their clients because, you know, their clients could be involved in a merger and acquisition or something large where the client doesn't want anyone to know. So the law firm will go out and purchase domain names on behalf of their clients.

Another one is resellers. There could be resellers offer their own proxy or privacy service.

And another one that's very big is brand protection specialists. So some of my colleagues who spoke earlier, they could have a customer that is launching a new product. And they want to register those domain names, but they don't want to tip people off about what that new product is they're launching. So those brand protection registrars may act as a privacy service and register the domains on behalf of their clients.
And the last thing I wanted to add, some people offer this as a free service and some of it as a paid service, if you were curious how that model worked.

And that is I think -- yeah, that is it on proxy and privacy services, the overview there.

CHAIR DRYDEN: Thank you for that. Before we move to the last presentation by Kurt, you had an acronym, API. What does that stand for?

BEN ANDERSON: That is application -- go ahead.

>> Sorry. It's application programming interface.

BEN ANDERSON: Yeah, sorry about that. I'm sort of drawing a blank for a second. Yeah, so it is a way for them to interact -- simple way to interact where you can have a lot of the calls you would like to make say register a domain, do all of these things. It will go through the API.

CHAIR DRYDEN: Thank you. Okay. Kurt, please?

KURT PRITZ: Thank you, Heather.
I want to save what time we have left for you to ask questions of my colleagues. But I just want to remind us that this is a snapshot of the marketplace as it is. And we expect substantial change with the introduction of new gTLDs. So we can anticipate changes, because there will be co-ownership of registries and registrars. That will bring some change.

gTLDs, rather than having all different contracts will -- it's hoped for will have, essentially, a common contract. We look for new protections, trademark protections, and malicious conduct mitigation measures to bring some benefits to the environment. And we want to measure that.

We expect innovation, but with innovation will come failure. And we are -- we are accustomed to failure of some registrars, but not of registries. So we have protections in place. The program has protection in place for registrants. But we expect there to be registrars that fail.

And, finally, our discussion in planning for new gTLDs has been around types or categories of TLD. But they're really difficult to categorize.

And so what will be a brand TLD? Some of them will allow their customers to register, some just their employees, some maybe their supply chain, with geographic names. Some will be commercial. Some will be closed. Some just government and allow governmental registrations. IDNs will bring community and commercial TLDs. Some TLDs might just be used for infrastructure.

So, while we've been accustomed to a lexicon that identifies categories of, say, brand or geographic names, we'll really see a continuum of new types of TLDs and business models. So that's for the future.
But I want to thank everybody that helped contribute to this. And, with Heather's permission, you can ask them questions.

CHAIR DRYDEN: Thank you, Kurt. So are there any questions or comments from GAC members on what we've heard? Argentina, please.

ARGENTINA: Thank you very much, chair. And thank you very much for the presentation. It's very useful.

I have a question for -- I don't have your name.

>> Jeff Eckhaus.

ARGENTINA: Jeff, thank you. And for Tim. I saw the map. I think there are missing names there. I think there are two registrants in Colombia right now. And I'm not sure I agree with you, Jeff, that the community in Latin America is well-served by perhaps resellers. I'm not saying that they are not good. Maybe they're not enough.

And I see this big gap in between 300 accredited registrars in the United States and several in Canada. Canada has a population similar to my country Argentina, and we have one.

So my question is wouldn't it be something to be thinking about why this is happening? I mean, is this so complicated to become an
accredited registrar? Or there is no need for having an accredited registrar having resellers? So this is a general question. Why this big geographic gap is happening? And one question for Kurt. New gTLDs -- I didn't get exactly the relationship with the registrars. Are they going to sell necessarily through registrars, or they can have their own registrar and in an integrated model? Thank you.

CHAIR DRYDEN: Thank you. So, for the first question, is that a request to reply over there? No, that was a question. Okay. Jeff, were you going to respond to that? Ah, sorry.

JEFF ECKHAUS: Sure, I can reply. I do agree with you. I think there should -- I would like to see -- before I press, as vice president of the registrar stakeholder's group, we're looking for outreach and for a lot more participation from other countries and to bring on more new registrars. It's something I completely agree with you on. And I would love to see more from Latin America and those areas.

I think that -- I don't know -- I can't explain to you why some of those entities don't become registrars. I think it is a very difficult process. I think the vetting process -- ICANN has ensured -- has been working harder to make sure there are less registrar failures and, to do so, they have raised the bar significantly. And, because of that, there's certain -- you know, companies that say we can't reach that and we're not large enough to do that, so they go the reseller route.
I'm happy to think maybe my company provides such good service to them maybe they don't need to go to become a registrar. But I think we'd love to see it. And we do outreach in those countries, and we try to bring on more resellers. But, just to let you know, we've had a large number -- not a large number but a bunch of resellers have gone on to become ICANN accredited registrars. And I know we have seen that not only with us but with other ones. I think it is a path or stepping stone sort of get your feet wet by selling domain names and becoming a reseller and take that investment and become an ICANN accredited registrar.

CHAIR DRYDEN: Thank you for that reply. To the second question, I think it was directed to Kurt. Yes, if you would.

KURT PRITZ: Thank you, Olga. In existing gTLDs there's restrictions on co-ownership to the registrar for owning a registry. For new gTLDs those ownership restrictions are lifted. For existing gTLDs there's now a process whereby they can request and have evaluated that those restrictions lifted.

CHAIR DRYDEN: Thank you, Kurt.

I have the Netherlands, Sweden, Portugal, Germany and U.K. Netherlands, you are next.
NETHERLANDS: Thank you, Heather. My question related to the same subject as Olga raised. I'm a little puzzled about the fact of whether -- how many of the domain name space, generic domain name space is covered by registered -- ICANN accredited registrars? Probably it relates to my -- the first question is more like getting kind of an impression about the domain name space.

Second question is what are the real benefits for the registrar? I'm puzzled because I hear about a lot of things which are imposed on the registrar. What is the real benefit which has the registrar and also can he give to his customer? Thank you.

CHAIR DRYDEN: Okay. So we have two questions. And who can provide a reply? Please.

>> Yeah, thanks, Heather. I'm going to respond to the second question about the benefits. I think this is the benefit, frankly, the fact that, as an ICANN accredited registrar, you get to participate in the process.

That, to me, from my perspective, is the biggest benefit in that you're assuring your customers, first of all, that you've met the -- Jeff referred to the high level of vetting and, you know, process that you have to go through to get the accreditation with ICANN. So your customers have a certain level of comfort that you've gone through that process. And then you get to participate in the process itself and the policy development process and things that are going to affect you that ultimately will roll down to your customers.
CHAIR DRYDEN: Thank you for that answer. I think it was a bit unexpected, actually. So to the other question, though, I think that there is a lot of interest among governments in getting really an appreciation of how much of the market, how much of the money flows through registrar activity in the market versus resellers. And I think that's a really important piece of data to get some sense of.

Okay. Back to the speaking order, I have Sweden next, please.

SWEDEN: Thank you very much, Heather.

And thank you very much for the presentation. It's really an interesting to see the landscape right now and also hear you're expecting some major changes.

I just want to double-check what I understand, and then I have a question as well.

I think you mentioned, Kurt, that we haven't up until now had any failure, the registrar failure. Did I hear you correct? Sorry. And that you expect to see that a little bit more in the future. And I want to know how come and why and what kind of failure do you see is going to happen with the new gTLDs? Thank you.

KURT PRITZ: Presently, there's 22 gTLDs. And, while some of them are very small and have remained small, they all have stayed in business and continue to resolve names and serve their customers. It's thought with what's anticipated to be over a thousand gTLDs, that there will be business
failure, that there will be risk taken as there are in any new enterprises and that some of these new entities will abandon their business when they don't realize their business goals.

Now, ICANN has in place some protections for that. Each new gTLD must put in place a letter of credit to ensure continuing operations for three years so that, if the registry is not resold, at least the registrants will have a softer landing, a period of time in which to consider their options. But, you know, it’s a typical business environment. We expect -- we should, as a community expect there to be failure and prepare for that.

CHAIR DRYDEN: Thank you. Did you want to add?

Actually, I just wanted to make a quick response to your previous question, which was on the -- about number of domain name registrations in reseller versus registrar in net volume. So I think you asked about how much was of the money was flowing through. Just because of how much people charge and how that works, I think it would be very hard to give a dollar estimate. It would be a little easier to give a volume estimate on the number of gTLDs, domain names registered through resellers versus directly through an ICANN accredited registrar.

And I sort of did some back of the envelope math in looking at who the resellers are and how many domain names they have on their registration.
I think a fair estimate would be between 20-30% are sold through the reseller channel versus directly through a registrar. With the dollar amounts that's tough to estimate. But I think, if you did a deeper dive, you could infer versus the how much people charge and take that and use the volume as a metric to sort of figure out what the dollar amounts are. But, on a volume perspective of registrations, the estimates would be somewhere between 30 and 50%.

CHAIR DRYDEN: Thank you very much. Appreciate that.

Australia, you were next, please.

AUSTRALIA: Thank you, chair. And thank you very much for the very useful presentations. It’s much appreciated.

I wanted to step back a moment and put this session -- look at it from a different perspective or the perspective in which it arose from the Costa Rica discussions. It arose from discussions between the GAC and the board about ICANN’s contractual compliance function.

And, to better inform the next series of discussions or future discussions on that, the GAC requested some briefing from the board about the contractual relationships that underpin the DNS industry and on ICANN’s role as a self-regulatory organization.

So my questions and comments are going to step back a little bit and really hone in on what ICANN’s role in this industry is. So it’s very useful to have this discussion and lay the groundwork, particularly, to
understand that 30-50% of all domain name registrations are probably made by resellers.

So I'm particularly interested to -- as a first question to hone in on where the accountabilities lie in the reseller model. So ICANN has chosen to have direct contracts in its oversight of registries and registrars. As I understand it, that's not the case with resellers. And, in fact, the reseller has the contract with a registrar.

So I've heard examples here where there are registrars that have thousands of resellers with whom they have contracts. I've also heard that ICANN, as part of accrediting a registrar, goes through a comprehensive process, does a lot of due diligence checks. Am I to understand that registrars, for example, do that same kind of activity with thousands of resellers? And, if they do not, is that a concern from ICANN's perspective?

I'd really like to hear from board members here. Like, in terms of overseeing the DNS industry globally, there's a lot of focus on very tight registry contracts. There's a lot of focus at the moment on registrar contracts. I'm really interested in the -- potentially, half of all the domain name registrations come through resellers. Exactly how much visibility does ICANN of reseller compliance?

CHAIR DRYDEN: Thank you, Australia. Would anyone like to reply? Jeff?
JEFF ECKHAUS: Thank you. Thank you for the question. I think I'd first like to just start off with the thought that I have not -- just in my view or what I've seen is that there really hasn't been any concrete evidence or statistics that show that, first off, resellers do create any more compliance issues than direct reseller. I think there might be sort of hallway talk about issues with resellers. But I haven't seen that there's a larger issue with resellers than with ICANN accredited registrars.

But to -- mostly to directly answer your question about sort of who bears the responsibility and where does it lie, it is with us, with the registrar. When we sign up resellers and we contract with them to allow them to sell domain names, we still know that we are, as registrars, directly responsible for contractual compliance with ICANN. Sort of expression "the buck stops here." We know that we are the ones responsible for it. We have elements in our contract that state, you know, they have to follow what we ask in our rules. And, if there are times that a reseller does not respond or doesn't do things, that, when it's needed, then the registrar ourselves, we will take it upon ourselves to handle the situation either, if a request is come in through ICANN, through law enforcement, whatever that is, we will handle it because we're the ones -- we know that we have that contract with ICANN and we're ultimately responsible for it.

CHAIR DRYDEN: Thank you for that. Okay. So we'll save up that question to the board for the future. So we have Portugal, Germany, U.K., and United States. So Portugal, please.
PORTUGAL: First of all, thank you very much for this presentation of the end marketplace taxonomy. So you mentioned landscape of the end marketplace. And that's what it seems it is.

I would like to say that I was somehow also expecting that a description of the domain name marketplace would involve somehow talking about regulatory functions of this marketplace, which I didn't see so much. So just, for example, it would involve licensing and contracting. We heard a little bit about contracting but not as much about the functions of contracts.

Also, on issuing regulations or adopting standards or consumer protection or, for instance, auditing and evaluation or monitoring and actually processing indicators and issuing surveys to analyze the results of these functions.

So I wonder why we didn't hear this. It's because these parts are supposed to be better known by the audience, by the GAC members than the taxonomy itself. Or it's not so easy to present them and it requires some further work.

So, if you could provide -- or we are going to listen to that in some future session. So some kind of information regarding where we stand on these would be helpful. Thank you.

CHAIR DRYDEN: Thank you, Portugal. Okay, Germany. You're next, please.
GERMANY: Yes, thank you, chair. A model for the registrar and registry system as we increase the system that was now introduced, I wonder whether this model does not limit new businesses and new innovations in a market for new gTLDs. I think, in particular, on value-added, that could be added to a new domains, that would -- as a model we now have is fit for another sort of market. In prior -- in the beginning of ICANN there were other challenges in the market. And I think we’re now in the situation where we grow a bit from the mass domain markets to, as I said before, adding value to domains. And I wonder whether the system we have practiced in the past may be a bit too restrictive to this new kind of services.

And the second one is we also may find smaller communities that have applied now for new gTLDs. And whether they are able -- and that goes a bit in the direction of Argentina -- whether they are able at all to find registrars that are able to sell their domains for them. This is -- for several smaller enterprises, this might be a problem.

And my next question would go to direction -- it was interesting to see the comparison to classical ccTLD, because we know that there were -- as far as restrictions are considered, some development during the last decade. That means, in some cases, restrictions were lifted and some others were newly introduced. I wonder whether the same policies are possible for the gTLD environment. And I have in mind, again, also, some requirements that may come up from a public policy issue. For example, if we experience a new gTLD that is introduced in the market but it is working, from a public policy point of view, not adequately. And we would -- yes, ask the registry to, yes, change their registration policy, is this possible? Or would it be too complicated under the
current market portal? Because it is true, it is not only the registry that gets involved; it's also registrar and resellers.

CHAIR DRYDEN: Thank you for that, Germany.

KURT PRITZ: I can provide a partial response. They're very perspective and deep questions. Yes, I think that the current marketplace might overly restrict new (audio cut out) discussion where it was agreed that restrictions on co-ownership of registries and registrars might be lifted.

Balancing that, an impartial answer to Portugal's question before, the registrar agreement and the registry agreement combined provide a set of consumer protections by putting certain obligations on registries and registrars. And, for the introduction of new gTLDs, it would be very complicated, I think, to eliminate one set of agreements and still maintain the same protections.

And so the same marketplace is still in place to keep those protections in place.

But what you're raising is an excellent policy discussion for later, as was your second question about, in the public interest, requesting that a new gTLD change registration restrictions.

I think, and this is speculation on my part, but there's GAC advice to the Board on policy issues. Policy issues, by some definitions, affect all
gTLDs and can’t be targeted at one, but to the extent that policy can be written to affect the behavior of registration policies of a single TLD, I think what you’re suggesting might be possible, and it’s another discussion we should have, how we should go about that.

CHAIR DRYDEN: Thank you for that, Kurt. So I have U.K., U.S., and Kenya, and then I think we will need to move to close this session.

So U.K., please.

UNITED KINGDOM: Thanks very much, Chair, and thanks to everybody who has contributed to this convention of expertise on the market and so on. It’s been very interesting. And we have been touching on how new gTLDs will impact on that, it’s going to be worth exploring very much in the future.

We always anticipated that this was going to be an opportunity for innovation and new business models and so on.

So the point Kurt was making just now really has resonance for us. So very interesting.

We want to come back to this relationship with registrars and with resellers. I noted earlier on that with regard to implementation of the law enforcement recommendations and the negotiations between ICANN and the registrars, there is the issue of accountability of resellers. And our question relates to that. And I’d like to hand over the mic to my colleague from the Serious Organized Crime Agency, Benedict Addis, to actually put the question.
Hello, and, first of all, thank you to Madam Chair for letting me speak.

I wanted, really, to share a little frustration we, on the law enforcement negotiating team, have with regards to the reseller model. It goes something like this.

Something bad happens on a domain name and we go to the registrar and say can you tell us who did this thing or who owns this domain name, who paid for it.

And they'll say, well, we're a channel registrar and you need to go and speak to our reseller to get that information.

Now, sometimes we'll be able to speak to the reseller, sometimes they'll respond and sometimes they won't. But it strikes me that Jeff has very, very clearly said, and we have seen in the RAA that the buck stops with the registrar. But in practice, and in our experience, the truth is the registrar actually doesn't have the data at their disposal. And sometimes it may even be in a jurisdiction where they can't get it or where law enforcement isn't in a position to get it.

So I'd like to hear, really, what Jeff and what Matt propose to resolve this. This is a daily problem for law enforcement.

Thank you.

Sure, I'd like to just give a quick response that I don't think we have ever not complied with a court order given to us or requests for information. If somebody calls and, you know, from -- and asks for anecdotal information, I think we will try our best, but if cannot -- but if there is a
court order and somebody says, "We need this information, please supply it to us," we have always supplied that information for them. So I think we just have to draw the line and say where with can we say our registrar is not complying with court orders and sort of -- you know, not complying with these, or if we try and help out, we can't always help out law enforcement in other countries or when people are asking for some anecdotal information from us.

But with regards to court orders, I am going to say that we do respond, we do comply, and as I said, the buck stops there. But I think the part here is on -- that you have to remember the part where we have that responsibility is the contractual relationship with ICANN and contractual compliance.

Some of that information I don't believe is part of the contractual compliance function. It is, you know, a law enforcement request for information, I'm not sure, maybe I am getting this wrong, does not fall under the purview of ICANN contractual compliance and what our responsibilities are under that current RAA.

CHAIR DRYDEN: Thank you for that.

If I could ask a follow-up question.

Is the assumption, then, that the registrar has the information? It's a question of on what basis that they would provide it.

What I heard Benedict say was that sometimes they cannot get a reply from the reseller or they do not have the data.
JEFF ECKHAUS: I would not assume that the registrar has it in hand and is holding it back. I would in the make that assumption. Many times the reseller will have that information.

As I said, we discuss new and different models. There are different times where the reseller, as we said, has a customer relationship. They will take that customer payment from them and they have that one-on-one relationship.

So sometimes the reseller may not want to share that information, you know, without -- you know, when we say, hey, can you give us your customer information, they might not share it. There are large companies who say that's our customer; we're not going to share that with you. But if we came to them with a court order or other piece saying this court order states you must do it, they would probably hand that information over to us. But, no, we don't have it and we're just holding it and won't give it up to them. It's usually the reseller who has that customer relationship.

CHAIR DRYDEN: Thank you.

United States, please.

UNITED STATES OF AMERICA: Thank you. I, too, would like to join colleagues in expressing all of the speakers here in helping us get a better understanding than I think we may have had before.
I would like to also echo comments made by colleagues. Making the connection, I believe it was Australia, Portugal have done this very nicely, that our primary interest, which was pretty clearly articulated, I believe, in the Costa Rica communiqué, is that we want to understand better the connection between ICANN’s self-regulatory authority that is found in the contracts, in the relationships you have with registrars.

So that is the key area that we need to focus on, quite candidly. Because now that we’re talking about numbers, and I am going to express my -- demonstrate fully to the room my ignorance here, I am not an economist. But I am kind of struck by the fact that you have about a thousand accredited registrars, many of which we are now told, we have learned over the years, this is -- they’re not separate, distinct. They are all sort of members of families. And then you have up to 8,000 resellers.

So from a government perspective, you begin to look at these numbers somewhat differently and think, hmmm, so only a thousand market players are subject to any contractual anything, whatever the current provisions might be, as flawed as they might be or as inadequate as they might be. And yet you have around 8,000, and possibly more, entities who are not subject to any of those provisions.

That gives us pause, and that is, in fact,, I think, what SOCA is trying to get at, is the concern there are a lot of actors in the marketplace engaging directly with our consumers around the world who could, in fact, -- cannot, then, turn to either the contractual provisions and see that they could get any relief.
So I'm also a little bit concerned about -- and again, this is where I'm really going to show my ignorance as to whether these numbers show that there is something flawed in the marketplace that is prevent being new entrants or preventing competition.

So I guess it would be very, very helpful to understand, if we know the motivations, who imposes the high insurance fees? Is that part and parcel of becoming an accredited registrar? Is something national? I mean, I confess, I certainly do not know the answer to that. But it would be useful for us to understand the sources of the high cost, because I guess for some of us governments, if you get the privilege of selling something to consumers, that often comes with responsibility.

So we're trying to understand exactly where that balance is, but more importantly, we are advisors to the ICANN Board, and so we're trying to understand how to shape our advice to you within your remit.

So we're trying to understand exactly what your remit is. It is clearly not ccTLDs, so that was very helpful to have that reinforced. What we need to focus on is what is in your remit. Is it effective?

I think we have probably conveyed several times a sense over the years, no, it is not or we would not have presented you with a series of recommendations to improve the RAA.

So there are quite a few other changes we would like to see made. So I guess this only whets our appetite, if I could say, for a deeper dive. Clearly there is a lot going on in the marketplace that we don't have a hand on, and I guess it would be useful to know does ICANN know how many resellers there are.
Do you know which registrars that you need to hold accountable for the behavior of those resellers? Do you have that information? Do you track that? Do you have names of these resellers? Do you know what the contracts look like?

So I just want to throw that out and thank people again. I think this has really sort of triggered that we need more sort of concrete, fact-based data to talk about to help inform our decisions.

Thank you.

CHAIR DRYDEN: Thank you, United States.

And Kenya, I believe you will have the final word.

KENYA: Thank you, Chair. And I also thank colleagues for those presentations.

To follow up on my colleague from the U.S., I think I want to reemphasize that question about investigating just simply these issues of accountability. You know, resellers, and especially the numbers.

But also to go back to my colleague from Mexico's questions, initial question, is to note with concern that the number of service providers who are providing back-end services for the new gTLDs again are concentrated in one region, and perhaps encourage when you are investigating and exploring perhaps new business models, as was suggested by my colleague from Germany, but perhaps also investigate and explore how ICANN could go to the areas that are less -- to the
regions that are less active, especially when you look at just the spread of the new gTLDs. And a question we need to ask ourselves is are we creating a new digital divide? I think that has already been thrown out there just in terms of just the way it looks right now, from just resellers, the registrars, and also the new gTLDs.

Thank you.

CHAIR DRYDEN: Thank you very much, Kenya.

I think we can conclude there.

One quick comment, please.

JEFF ECKHAUS: One quick comment. I wanted to respond to U.S.A.'s, sort of. I guess it was the question, is it -- do we have those 1,000 that are bound by the RAA and then those 8,000, or whatever number, resellers are not. And I don't want that image -- come out that, you know, once -- if you are not an ICANN accredited registrar and you are a reseller, it's a sort of wild west and anything goes. All the domain names that are registered under there, either sold directly through the registrar or the reseller channel, are all subject to the RAA. They all are. And I know there's discussion, and what the issues are with the -- you know, how the RAA works and what are the issues with it, that's a separate discussion. And I'm happy to, you know, speak with members of the GAC and other groups here -- and again, thank you for the time -- about how do we give you more information and how do we, I guess, make this a more
effective document for the RAA and get everyone more involved so they understand what the issues are.

But I just want to be clear as I said that all domain names that are registered in gTLDs, and we know who the registrars are and they are all subject to the RAA at this time.

CHAIR DRYDEN: Thank you, Jeff.

So it's clear that these are issues of ongoing concern, where I do believe we wish to continue looking at these issues and receive further information, facts, so that we can do better analysis of what are the real issues and how does the market in fact look. And I think it goes right to the heart of this point about the role of ICANN and the role of ICANN in the market in its self-regulatory nature or the self-regulatory nature of the industry.

So thank you to all those that briefed us today and provided this information. We do appreciate that. And we look forward to continuing in the same vein.

We are moving to a Board/GAC exchange. Can I suggest, however, maybe a ten-minute break? Please do.

(dropped audio)

--with the Board. Ten minutes, please, everyone.

(Brief break)