

ICANN Board Session with Registries Stakeholder Group  
Toronto, 16 October 2012  
1:00 to 2:00 p.m.

>>DAVID MAHER: If everyone would please take their seats, we'll get the meeting started. We're now seven minutes late already.

I'm David Maher, chair of the registry stakeholder group. To my immediate left is Keith Drazek who will become chair of the group following this meeting. And our three councilors: Jeff Neuman, Jonathan Robinson, and Ching Chiao.

Steve, do you want to...

>>STEVE CROCKER: I'm Steve Crocker -- excuse me. I'm Steve Crocker, chair of the board. Welcome on behalf of the board. To my right is Bruce Tonkin, vice chair of the board, and we like to use this time to dig right in to substantive matters, so let's get to it.

>>DAVID MAHER: We have two lists on our agenda. One is the list of the stakeholder group, and the second is the list furnished to us by the board. With your permission, I'll proceed with the stakeholder group list first.

>>STEVE CROCKER: Absolutely.

>>DAVID MAHER: Okay. Thank you.

The first item is the trademark clearinghouse. We got some very good news from Mr. Chehade on that subject earlier this morning and we'd like to have some further comments.

Jeff Neuman?

>>JEFF NEUMAN: Sure. Thank you.

This is Jeff Neuman, and, you know, it's interesting. Two days ago -- if this were held two days ago, I would have had some very different comments on the clearinghouse than now, and I'm pleased to report that we've made substantial progress and I'd like to personally thank Fadi and Cherine and others that have been involved in the discussions.

You know, there are several models of how to implement the trademark clearinghouse, at least from the perspective of the interface between the clearinghouse and the registries and the registrars.

You know, there are other issues that involve the clearinghouse from the front end which we haven't tackled at all and that's really more the intellectual property community and others that will address those with you, but from our perspective, the trademark clearinghouse is a vital function that stands in the middle of the process of registering domain names and is something that we need final resolution on prior to the end of this year.

I mean, I would have said or my developers are saying we needed it two months ago, but obviously as quickly as possible so that we can start building the systems to interface with the clearinghouse, and that the registrars can start building the interface to interface with us, who interfaces with the clearinghouse, as soon as possible so we as a community can be ready to launch new gTLDs at the -- in Q2 or Q3 of next year. And I'll knock on wood for that.

So this week, and especially the last couple of days, we have had some very encouraging discussions with members of the ICANN board and the ICANN staff on different models of implementing the clearinghouse, and I truly believe and want to thank the members of the board and the staff that have been engaged in this discussion on the clearinghouse and am happy to say we've made a lot of progress.

I also want to thank the board members that showed up to the clearinghouse session yesterday. I know Thomas and Tom -- Thomas -- there's at least three Thomases that provided some valuable comments on the clearinghouse, and I think we do have some fundamental issues that need to be resolved, not just by the registries implementing it, and the registrars, but also by the intellectual property community, and engaging in that dialogue as quickly as possible is going to be vital to the success of the program. And I -- you know, I just want to leave it at that for now. I think from a high level, we just want to say thank you to those that have engaged and were open for questions on specific points.

>>THOMAS NARTEN: Yes. Thomas Narten here. I mean, just for others that are not necessarily aware of what happened, I mean, do you want to summarize where you are today in terms of progress or is that not some level of detail you want to get into?

>>JEFF NEUMAN: I think we can, if we have -- I don't know how packed the agenda is, and I'll ask David if I can go for five minutes, maybe, on...

>>THOMAS NARTEN: Or even just what do you think are the key next steps?

>>JEFF NEUMAN: Okay. So I think we need to obviously engage more with the intellectual property community. We heard definitely, coming out of the meeting yesterday, that we need to put out a specific document summarizing where we are and really getting down to the detail of the questions that we need input on from the intellectual property community and other members of the community.

I think what we've done a pretty good job doing so far is walking them through the current proposed models, whether that's the existing ICANN proposed model or the -- what we call the registry/registrar community consensus model, and so really being very specific on what we need from the intellectual property community I think is really the next step.

I think getting responses to that and actually working directly with ICANN staff on implementing and drafting the concrete model that will enable us to build the requirements we need to start developing.

I don't know if that helps you understand where we are.

And I think we're getting there. I think we're getting there. We would have liked to have been there several months ago, but it's -- it's great that we're getting there now, and again, truly appreciate the new freshness of the spirit of working together and I really feel like for the first time -- and I've been involved in the ICANN community for a very long time and have been a registry here participating since two thousand -- since 2000, and I feel like really this is the first time that we've actually gotten to really interact with the board, with some members of the board and staff, up to the point of on a whiteboard actually drawing out how parties interact with each other.

I think that is something that probably should have happened years ago, and I'm glad it's happening now, and really think -- I was having a conversation with George Sadowsky a little bit on the way here, walking here, and I think this is not just an issue or a thing to do with the clearinghouse but really is something to do any time there's something that goes up to the board that has operational impact. You know, we're available, we have the expertise, all of us as registries, and we're happy to help you, if you ever have questions.

>>CHERINE CHALABY: I just want to kind of return the compliment because I would say Jeff, Jonathan, and Chris who came to the meeting really acted in a very impartial way, and they knew they had interests in one solution and not another, but nevertheless, they were very open-minded, willing to engage, willing to discuss, and willing to raise this above the personal interest into what is best -- let's do the right thing first, and then worry about the details.

And I think that was very, very refreshing as well for us, and we really thank you for the way you conducted that. Thank you.

>>DAVID MAHER: Thank you, Cherine.

Unless there's another question about the clearinghouse, we'll move on to the timing of the new TLDs.

Keith, do you want to address that?

>>KEITH DRAZEK: Okay. Thank you, David. This is Keith Drazek, VeriSign, the alternate chair of the registry stakeholder group.

So specifically, I think the topic we'd like to just touch on today is the prioritization draw and the proposed model that is currently out for public comment.

I think just generally speaking, while the registry stakeholder group has not taken a vote or had, you know, overly detailed conversations on it yet, the general sense is that it's a pretty good plan; that the prioritization draw has a lot of benefit and a lot of potential. Possible risks, but that generally speaking, we -- I think -- and this goes to the hallway conversations that we've had with other groups as well, is that I think there's a general sense in the community that we're on the right track.

One of the concerns that's been raised within the registry stakeholder group and also with our colleagues in the NTAG, the new TLD applicant group, is sort of acknowledging or recognizing that there's been a bit of a carve-out as it relates to the IDNs and the IDN applications being prioritized and given sort of a first shot.

And there are those in the community who are uncomfortable with that, with the understanding or belief that, you know, sort of all applications or all TLDs in this process were created equal, and that prioritization is a little bit troubling to them.

But at the same time, I think there's an understanding or a recognition that, you know, couched in the terms of public interest, that there is a recognition that maybe we can live with that.

The greater concern is that it seems that it may be opening the door for other groups or other subsets of the applicants to basically try to, you know, get into a prioritization schedule that is, you know, before the rest of the group, and I think that that raises a real concern of a slippery slope, because at the end of the day that does sort of raise questions about, you know, was that provided for in the guidebook, was, you know, the expectation going in is that all applicants' applications were created equal, and if you're going to start segmenting or identifying subsets that should go before others, that that raises a concern.

So maybe I'll just stop right there and see if anybody else has any comments.

>>THOMAS NARTEN: Yeah. Thomas here. I mean, I'm not really speaking for anyone, but I think there's a recognition of the concern of opening the door to other types of prioritization and people are concerned about that, but I will just say that at least in ALAC's case, they've raised this as an issue where they would like to see additional prioritization in the context of developing countries. That's not a new concern they've raised, and, you know, I mean, I've sort of encouraged them they can raise that during the public comment process, for example, but they really need to build broader support for that, would be my position.

But just, you know, for the record there are -- is at least one group that does want to do that, as you're probably aware.

>>KEITH DRAZEK: Uh-huh.

>>KEN STUBBS: Yeah. Ken Stubbs. A couple of issues. First of all, I look forward, after the board -- the next board meeting, to getting a little more clarity on that position, if it's at all possible for the board, because you'll have had the opportunity to take the input that you get.

Number two is I've had a lot of people questioning -- asking me questions because they remember that during the last public comment period I'm the one that brought up the idea -- or one of the people that surfaced the idea of doing this.

I think it's extremely important that you get some clarity out on the process, because people really do not understand how simple it is and -- you know, God willing, everything moves forward properly -- why you're doing what you're doing. Why do I have to take a hundred-dollar bill? Why do we do it this way?

I try to equate it quite similarly to a church having a drawing for a car or something like that, you know, and I mean that's the way it is. I try to make it clear to --

For instance, these are questions that will come up. Some people who live a long way away want to understand whether or not -- what is the proximity? Do I have to get on an airplane and everything?

Number two, I think it's important that ICANN makes it perfectly clear where they stand in this process. You know, the -- I mean, this is going to be, as I understand it, a truly independent process, which means my suggestion to ICANN is under no situation should you be the proxies for any of these deals. They can get somebody to give you a hundred dollars and you give them a ticket, whatever it may be. But make it quite clear how the process works, because people are reading too much into it, and that's usually because of communications. That's all.

>>DAVID MAHER: Thanks, Ken. Go ahead, please.

>>FADI CHEHADE: Yeah. It's due to communications. It's also due to prior confusion mishaps, so everybody's just anxious about this.

This is very simple. It's a drawing. If you have any kids or grandkids in L.A. who are under five, they're welcome to come draw. It's that simple. It's not complicated. It's not technical. It's just a drawing like any other drawing you've seen. It will be a big pot with 1923 cards and we'll pull them one at a time, okay?

It's that simple.

We'll get some third party to watch it and to supervise it. It will be broadcast. It will be just completely open and transparent. It's not complicated.

Now, in terms of the ticket, under the particular exception to the law that allows us to hold this, whether it's -- it happens in Washington, D.C. or in California, you have to buy a ticket to that event, and that ticket has to have a value, and we need to attach a value that is not a buck, I found out, not a dollar or a euro, because then it would be viewed as potentially -- that the fee to get a new gTLD was really the price of that.

So there are some reasons why we're doing this. Believe me, I've spent a lot of nights reviewing every possible risk around this, but it's very straightforward.

Now, if you can't come and buy the ticket, if you don't have an uncle or an aunt or a cousin or anybody to come and get the ticket for you in L.A. or D.C., we'll have a third-party proxy that can go buy the ticket for you, okay?

And it will be -- there will be no fee for that proxy. We'll make sure that if it's a law firm or something, we'll pay them. We'll cover these fees.

So the cost to someone who can't make it or who can't send an aunt to buy the ticket is zero. It's the same. It's the same cost.

The hundred dollars we'll collect, by law we have to give to a charitable cause in the state. If you have an aunt who owns a charity, let us know about it. I mean, we will - - we'll maybe make the same aunt who picks your ticket also take care of her charity.

We have -- we'll pick something innocuous, simple, straightforward, hopefully supporting the openness of the Internet, and take care of it.

So this should not worry people. We're doing this in the simplest possible way.

As to IDNs, first, I will put my name on this. This is the right thing to do. It's time we take some responsibility for where the rest of the world is on this. It's not going to make a huge difference for the rest of us. It's 160 names that will be evaluated first.

The slippery slope is noted, I'm concerned about it and I'll keep an eye on it, but it's the right thing to do.

And in fact, one of you came up to me and after just three, four minutes of discussion when they were thinking that they will oppose it vehemently, they actually felt that it would be the right thing to do, even for them to publicly announce that they support it.

And I hope we all rise to that level and embrace this, and let's get moving. The real business is on the other side of this. Let's get on with this. It's not that complicated. I hope this helps a little bit.

>>DAVID MAHER: Thank you. I think that's as clear as we could hope for.

Any other --

>> (Speaker is off microphone.)

>>DAVID MAHER: Oh, Cherine, please.

>>CHERINE CHALABY: No. Fadi said everything I was going to say, so your concern about the door opening, no, the door is not -- is not open. We are very wary about it, and it's very, very difficult to find any objective criteria around those 40 IDNs, so it's a very, very hard test to allow anything to get priority.

So there we are.

>>DAVID MAHER: Ching?

CHING CHIAO: >> Thank you, David. I'd just like to echo what Thomas and Fadi and Cherine just mentioned about the IDN. I've mentioned also during the meeting with Kurt and Akram, so just for the benefit of board members here, I'd like just to emphasize that we've done this in the past for the ccTLD. There was a fast track. We have done -- we have deal with them, and then there is issues, then we come and we fix it with the -- I mean, the synchronized plan, so my just kind of -- kind of little view, where it is at this moment is that we have six, seven months down the road of delegating those IDN strings. I'd like to make sure that we all work together and just get things right. I mean, either it's variant delegation or if any cost or contribution associated with dedicating IDN variants, let's deal with it now. Thank you.

>>JEFF NEUMAN: Thanks. I just wanted to -- there was one other thing on there about objection period extension, and I just, again, want to kind of review something that was discussed within the new TLD applicant group, which I felt -- if you were at the meeting yesterday, it was a packed room. It was actually kind of -- we were all proud of that. I mean, it was really interesting to see. And Jon Nevett is the chair, and Krista, as well, is in here from the new gTLD applicant group. One of the discussions was on the extension of the objection period, and while there were some differing thoughts as to whether that should be extended or not, I think in the end, whether it's January or March, there wasn't too much of a concern, but they do want to emphasize that really we should set that drop-dead date of March and not give the impression that that date can slip any further.

And I know there may be some groups here that are asking for it to go out even a few more weeks until after April government advice. I think as long as we stick to that date, the new TLD applicant group was comfortable -- or could get comfortable with it, and I -- and I just want to deliver that message on their behalf.

>>DAVID MAHER: Thanks, Jeff. Any other?

>>FADI CHEHADE: The date won't slip. It is March 13th. That's it. And how we picked it, we split the difference. People wanted it in June. People wanted it in January. It is the midpoint. Split the difference. It is that simple. Yes, not everyone is happy but this date works. And if we start messing with that date, it will mess all of our initial evaluations releases, guys. So this date is set. Let's live with it. Let's get the initial evaluations out, and let's get this thing to be working.

It is really not more complicated than this. I appreciate those of you who are being reasonable, as Jeff just said, in accepting this thing. It let's us move forward.

>>DAVID MAHER: Thank you. Hear hear.

[ Applause ]

>>DAVID MAHER: Moving along then, we come to the next two items: Budget planning for the expanded ICANN revenues and the strategic planning schedule.

Jon?

>>JON NEVETT: David, before we move on, if you look at the agenda, we talk about GAC advice as well and we didn't touch on that. So if I may?

>>DAVID MAHER: Please, go ahead.

>>JON NEVETT: Jon Nevett from Donuts. One thing we haven't talked about again is this GAC advice period. Is that the long pole in the tent? To Fadi's point, what do we need to do to get this moving and get this forward?

So the question is: Is there anything we can do as a community to help the GAC do its work? And one idea we had was perhaps organize an intersessional meeting where we give the GAC an opportunity to take that opportunity to meet in a face-to-face basis and/or give the community the same opportunity for an intersessional meeting because there is a six-month gap between this meeting and the Beijing meeting. There might be clearinghouse issues. There might be URS issues. There might be some other loose ends that need to happen. And to have that opportunity to meet because as a community, we do better when we have a meeting coming up. So that's one suggestion that you might see from the new TLD applicant group. Thank you.

>>DAVID MAHER: Thanks, Jon.

>> JONATHON ROBINSON: Thanks, David. Jonathon Robinson. I just wanted to make a brief follow-on to what Jon said because not only is it sort of just practically sensible that we do get our work better done when we're together, to the best of my knowledge, the GAC specifically has said at some point that they find it difficult to achieve significant progress when they are not all together. It makes a big difference to them to be all together. So from my memory, that's where the concept of the intersessional meeting came up. Thanks.

>>DAVID MAHER: Thanks, Jonathon.

Steve, any comment on that or shall we move on?

>>FADI CHEHADE: I can comment. So recognize what happened here. Two things. First of all -- and I'm being candid here -- we were frozen on this issue internally. So everybody just wanted to wait till GAC advice is done. So we came up, if you were able to glean from the solution, with kind of a creative way to move forward.

If you see how the process is set, we will be able to move forward with the entire process but then not sign the contract till after Beijing. And that was the compromise we came up with so we don't delay the apps. So we keep the process moving, but we're not going to execute and sign any contract until after their advice.

So it was frankly a creative way we did to get moving and to move up the process. That's the first thing.

The second thing is -- and, again, I'm new to this, so I will admit I don't know enough. But the GAC had been, let's say, generally frustrated sometimes at us not meeting, according to them, certain obligations, certain commitments.

Right now the GAC is viewing us as almost out of this phase. We're responding very fast to what they're looking for. We're now performing.

You see -- and as I said yesterday, even about the WCIT, when we don't perform, we are opening ourselves to everyone blaming us for whatever they can't do. But we're now performing.

So when we go back to them with the potential idea of intersessional, which we will discuss internally and see if it is the right thing to do, I want to make sure I am doing this on the backdrop of "ICANN is performing." We are getting our work done. We promised something. It is happening. We did the draw. It happened smoothly, no issues. We're moving forward.

Then it becomes really just a different discussion. I cannot comment on whether -- because I don't know. I really don't know what it would take for us to get an

intersessional going, if it's something we can ask them form. I don't know if Bill or someone else knows more than me, or maybe Bruce can help with that.

>>BRUCE TONKIN: Yeah, Fadi. I think the context, just to provide you a little bit of the history, is that when the board was working with the GAC on some of the improvements to the new gTLD process, we realized that we didn't have enough time to sort of manage that in an hour because typically in the ICANN meetings, we meet with the GAC for an hour.

And at the time, we had -- let's say there were ten big topics they wanted to talk about. And so we offered them the concept of having a meeting which turned out to be in Brussels.

The cost to us was fundamentally really the cost of setting up the venue and obviously paying for travel for the ICANN staff. I'm not aware of whether or not we provided travel support to GAC members. Maybe we did.

But really it was basically host -- we just hosted a meeting, and we chose the location of that to be, you know, in a government center. It happened to be Europe on this occasion. We had that meeting in Brussels.

It was a very focused meeting. It was just pretty much a meeting between the board and the GAC, I think, for a couple of days. And we went through the issues.

Here it is probably a little different because it is really not really an issue between the board and the GAC. It is more the GAC is actually needing time to work together on reaching consensus on what advice they may offer. And I think what some members of the community are saying is maybe ICANN can offer to help host a meeting, perhaps at least meeting venue costs and telecommunications and microphones and things like that, if that is of assistance to them. Because we are aware that the GAC generally reaches consensus through a face-to-face meeting. And we know they're very busy here this week and no doubt be very busy in Beijing.

I think the concept that Jon is saying is maybe ICANN as an organization could just offer that as an option for them that we're there ready and willing to help them if they wanted time to work together. So I think that's really the gist of it.

>>FADI CHEHADE: I don't see why not. Sounds good. So I will talk to the team. It sounds like it makes sense. If it is difficult to pull them out, we'll make sure it is in Fiji in January and we'll get it going.

I mean, we will do everything to avoid any more delays. If that's what it takes, we'll do it. If there is an easier way, we will work on it. But I appreciate the input on that. Thank you, Bruce.

>>STEVE CROCKER: Let me just chime in a little bit. Perhaps Fadi's answered the question that I have in mind, which is: Do you have a sense of when would be a good time to do it and where?

>>BRUCE TONKIN: It is really for them, not us.

>>JON NEVETT: Also, there is two parts to this suggestion. It is offering to the GAC to do its work. But at the same time, we could use that opportunity for other members of the community to roll up our sleeves to do our work if any work still needs to be done. And if you are talking about a six-month lag, then perhaps January would be right in the middle and having that in some easy-to-get-to place like Brussels, like last time.

>>KEN STUBBS: Yeah, two things. What we are really looking at, Fadi, is proposing that we create an environment to allow -- that allows the GAC to work optimally on their own to accomplish whatever they feel they need to do to be able to finish their job.

We're not -- and I'm giving my own personal interpretation. We're not trying to get in the middle of the decision-making process. That isn't it. It is a matter of facilitating it.

If in your communications with the GAC, the GAC says "Well, it might be a good idea but frankly we don't want to be involved in an area where people are going to lobby us and drive us crazy, we have business we need to do" -- and I'm speaking for myself, as far as I'm concerned, that's fine. If it helps facilitate the process, make it work more effectively for them, consequentially for us, that's great.

I think that there's very little doubt that we're going to have some sort of a summit to help clean up the issues that we may have. But it is very important that the message that be sent to the GAC as I see it at least, personally myself, is one of "We're trying to make it easy for you."

This isn't necessarily going to be a meeting between people but, rather, a meeting -- you know, you have economy, economics, it is difficult for these people because of budget issues and stuff like that to pull travel money and facilities out at the last minute because they're working on fiscal years. So we're just saying, you know, to a great extent, sometimes it's just the offer that makes sense.

>>DAVID MAHER: Thanks, Ken. Cherine?

>>CHERINE CHALABY: I always love face-to-face meetings because they always achieve good results. I would just recommend in this instance that you guys be very clear on the objective you want to achieve with the GAC because I'm looking at the chart we sent out in terms of the whole planning thing and the GAC said they will

not give advice before June. And the whole program is set in such a way that we start contracting, delegating after June.

You then have to go into that meeting with the GAC with specific advice -- with a specific recommendation. Do you want their advice to be brought forward? Is that what we're saying? And by how long? So they can manage -- because if it is just by three or four weeks, it is not going to make a substantial difference. You have to really know what you want and then put that forward and work towards achieving it.

>>KEN STUBBS: As a community member trying to read the GAC, it is like reading tea leaves because they're working with themselves.

I have heard discussions about the fact that the timing to a great extent was based around their opportunities to get together. For instance, there was a discussion about we can't do anything until after the Asia-Pacific meeting, which I think is in the late spring and so forth.

So all I'm saying is: Is that the issue? Is it that you don't have the opportunity to get together? Is it because -- you know, what is it? I would not presume to try to push them. It just doesn't work too well with governments trying to get them to manage their business around an agenda that you think is best for them. That's just -- again, this is just my own personal comment.

>>DAVID MAHER: Thanks, Ken.

>>FADI CHEHADE: May I suggest -- I know absolutely what you're trying to achieve. I'll take care of it. If it is a meeting, it is a meeting. If it is a sauna meeting in Lapland, we'll do it. Whatever it takes. I understand what you want. Just allow me to go take care of it. This is -- your requirement is crystal clear, and we're aligned. I will take care of the mechanics for you. And I think you will be satisfied with how we address this.

>>DAVID MAHER: Thank you. Jeff?

>>JEFF NEUMAN: Thanks. And not addressing the GAC part of it, but, again, just support for the working session for -- we have generally a registry/registrar session when there is a long gap, and that's usually somewhere -- we call it a registry/registrar workshop. I would ask that instead of doing that for next year we make it a general workshop on issues like the URS, like the clearinghouse, like the other one we brought up for Fadi -- actually, it was before Kurt, which is the code of conduct and working through those issues.

So I think we should just make it a pledge to say, let's have that meeting wherever we are at some point in January, whether it is with the GAC or without. Let's have

that meeting. Let's work through those issues because six months is a long time, and we want to see those move forward.

>>DAVID MAHER: Thank you. Chuck?

>>CHUCK GOMES: 15-second comment. Chuck Gomes. These are two separate issues. They don't have to be combined, the GAC need versus the community need.

>>DAVID MAHER: Right, thank you.

Moving along then to the budget, budget planning for expanded ICANN revenues, Chuck, I believe you're ready to speak about this?

>>CHUCK GOMES: Thanks, David. First of all, I want to compliment Xavier and the - and his team for the work they've been doing. We've been talking a lot about the need not only for listening but dialogue. And there has been a lot of dialogue going on.

The three ad hoc groups that were formed, the registry stakeholder group had a representative on each of those groups: Bret Fausett, Paul Diaz and then myself, each on one of the separate groups.

I will be honest, I even haven't had time to fully brief the registry stakeholder group -- that's one of the things that will happen later today -- on what's happening.

But one of the big problems with the budget process was we didn't get enough [deal detail](#) to submit meaningful comments on the budget until after May 1st. And by that time, it's too late to make any -- to have any interaction, to have any dialogue.

We submitted comments. You know, it wasn't -- staff wasn't able to respond to the comments in total. And then the board had to approve the budget. So timing is a huge issue, and you're all aware of that so I'm not telling you anything.

I really believe that we have the potential of making significant changes in that regard. And there will be a finance session this week that will show the plan, and I encourage people that can to look at that.

The key is to get enough detail early enough to allow the community to respond. And that means the process needs to be moved forward a lot.

I won't go into the details of the plan, but I encourage those that aren't aware of what's going on to look at that session. I think it's workable. The improvements will not be seen except in small part this coming cycle. We'll start them, assuming we go forward with that.

But probably in the next cycle, we'll see a lot more meaningful improvement. And I personally, one who have been involved in ICANN's budgets since its first, am really optimistic that we're heading in the right direction. I'll leave it at that just to be brief but certainly respond to questions if there are any.

>>STEVE CROCKER: I think we moved the cycle up and I think there is a session Monday to start the process, right? I'm teasing. It is a joke.

Fadi?

>>FADI CHEHADE: Thank you. This is spot on. We have the right person in charge now. Xavier is empowered to do what he needs to do. He is as frustrated as I am. ICANN has a very, very old approach to managing budgets. We're changing that. We need to move to cost accounting. We need to be able to know what we are spending money on at an initiative level, not at a department level, and be able to track, that and have the community see that. It takes some work. Xavier is committed to that.

Are you committed to that, Xavier?

He is committed to that. He knows he is committed to that. And I will make sure he is delivering on that.

But it will take -- like you said, it will take a little bit of time because this is from the ground up a restructuring of the way we manage budgets.

On transparency, on what we have today, we are making improvements, small improvements, but improvements you and I and the rest of the community deserve is still in the works and we are moving towards it as we speak.

>>DAVID MAHER: Go ahead, please.

>> XAVIER CALVEZ: Quick comment on that. Thank you, Chuck, for the feedback you have provided and your participation in the working groups. I'm slightly more ambitious than you on the potential benefit in this first cycle in the change of the budget process we're working through together. We are hoping we will be able to improve more the quality of the information that's being shared. And I just want to emphasize that the management system that Fadi gave an overview of yesterday, it's actually going to make our lives easier to produce that information. So I'm asking him if he's committed to the management system as well because I need it to help.

[ Laughter ]

>>FADI CHEHADE: He's in real trouble now.

>>DAVID MAHER: We now have 15 minutes left and we -- and I think we probably ought to move to the board topics so that we don't overlook them.

The first one is the WHOIS review team.

Chuck?

>> CHUCK GOMES: Okay, the registry stakeholder group responded to the Board's request for feedback with regard to where we thought PDPs were needed in recommendations. To be very brief, there were three recommendations that we felt that a PDP would be necessary and there were two that might be, depending on what the review team meant. It wasn't clear. And in our comments we provided a little bit more commentary on that.

The way we came to our decision was basically looking at the bylaws and our registry agreements in terms of a Policy Development Process, the criteria that are used for that. One of the things that the bylaws says is the GNSO is responsible for substantial Policy Development. Key word there is substantial. We don't believe that everything needs a PDP. In fact, if it does, we're in trouble. We'll be in paralysis.

At the same time, in cases where there is substantial policy, if you bypass the PDP process, I think it's a serious compromise on the multistakeholder model. I will leave it at that. You'll receive the feedback from the registry stakeholder group. We'll certainly take questions if you have any.

>>DAVID MAHER: Are there any questions? If not, we can move to the security, stability, and resiliency review team. We filed comments on that. I don't believe Don Blumenthal is here, who was the author, the principal author. The final recommendation was to focus on the use of the word "limited" with respect to the technical agenda of ICANN. We believe that that deserves further study and we didn't offer any more ultimate comments on the topic. If there are any questions, I will try to answer them or probably better yet refer them to someone more capable.

If not, then the next item, the impact of the new gTLD program on ICANN structure and processes, we've done quite a lot of work on the structure within the registry stakeholder group. The Board has recently put out for public comment, improvements -- changes to our charter. We think they're improvements, primarily in terms of making it possible for our observers, the applicants for new TLDs, to have an interest group. And you can tell, I think, by this meeting that the NTAG group has been enormously successful. They've been very much a participant in the proceedings of this meeting and, I'm sure that will continue to be so. If there are any questions about the charter, the structure and our plans for accommodating the registry stakeholder group, the new TLDs, I'd be happy to try to answer.

>>STEVE CROCKER: I have a question. So the NTAG group is populated by the applicants until they've been selected and then after they're selected, ignoring the next round which will come along, the NTAG group folds down because it's empty,

right? They're either in or out? Have you -- what's your thinking about impact after that point in terms of on the existing structure? So it's great, it's a very fine move and I compliment everybody involved on creating the NTAG group and modifying your rules to allow that to happen. But I just want to see what's the next step after that.

>>DAVID MAHER: Well, we are addressing that. There's a resources meeting group that had a meeting yesterday. We're very conscious of the fact that our small group of 14, which operated -- has operated almost entirely by consensus. That won't work when you have 1,000 members. We have to have something more effective than telephone calls every two weeks. We're looking at the way the registrars have operated because they've always had a much larger number of participants. We're also looking at various CRM data management programs. We're talking to Karla Valente about resources in the ICANN budget to assist us in developing techniques for handling a -- a group consisting of roughly 1,000 members or more. So we are -- we're thinking about it. I can't say that we have answers today, but I think we're certainly headed in the right direction.

| We seem to have a breakdown. [\(referencing the microphones not working\)](#)

| >>KEITH DRAZEK: Sorry, David and I are friendly [\(referencing the microphones not working\)](#). So speaking about the structural impact, certainly within the registry stakeholder group today we have a provision for interest groups. So while some stakeholder groups may have different constituencies, the registry stakeholder group has provision for interest groups. The observer interest group, the NTAG, is one example of an interest group. Now, it's entirely possible that as [we](#) get into -- once some of the new TLD applicants sign their contracts and become contracted parties that they may choose to self select or self organize into interest groups. You may have registry operators who are particularly focused in one area or another, whether it's a closed generic or whether it's the geographically focused or the community TLDs. So our structure already provides for that eventuality, that potential. For registry operators, once they've signed their contracts and have in effect moved off of their observer status, because they've become fully contracted parties, to then self organize and -- I think our current charter and the bylaws that we're operating under are well situated or well prepared for what may come. How that all plays out obviously remains to be seen. There's a lot of uncertainty about it. But I think structurally speaking we're in pretty good shape. And I think Jeff had a comment also.

| >>BERTRAND DE LA CHAPELLE: Thank you. Thank you, David. I just want to take the opportunity to make a quick update of where we are and the general process of launching and triggering, activating this discussion. I, too, have been very impressed by the meeting of NTAG yesterday. That was a very interesting demonstration of self organization and bottom-up structure. So congrats.

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Just one point as indicated in the title, we're talking both structure and processes, and some of the feedback that we received already -- thanks, by the way, for the feedback of the registry stakeholder group -- has indicated that it is not necessarily a structure issue. It can be processes, the way people use the existing tools. I don't get into the debate on the substance here. What I just want to highlight is, after the call for input that we launched in Prague a certain number of comments were sent by different SOs, ACs, and constituencies that have been grouped on a single page on the ICANN Web site so we will actively circulate the link. We intended, as we had announced in Prague, to have a full session on this topic here in Toronto. Due to schedule challenges the agenda was really packed. We have an opportunity for another modality which is to have a breakfast tomorrow morning with the chairs of the SOs and ACs and constituencies as a step forward and milestone towards the Beijing meeting. And I just want to share that the two main questions that I will basically throw in the discussion tomorrow are one, how do we conduct this discussion, given that there are diverging signals regarding the timing, the amplitude of the changes that may be made, the focus on process or on structure and so on? How do we make sure that the discussion takes place, that it doesn't eat up energies but that it is not all -- either relegated to the sides because it is not an immediate priority. So how to engage the community towards Beijing.

And the second question is also related to how this discussion interfaces with the review processes that are on the horizon, be it the GNSO review that is planned for next year, according to the bylaws, and also the ATRT 2 which is not dealing exactly with this but that has an impact as well. So these are the two elements. And of course any additional comments or input that you want to share, we're welcome to receive. And as you noted yesterday in Fadi's presentation, it is the fourth of his four major priorities and it is a long-term issue but it is worth addressing in a quiet and deliberate manner. Thank you.

>>JEFF NEUMAN: Thanks. This is Jeff Neuman. I know that last comment in the transcripts was actually attributed to me but that was Bertrand. I could never be as eloquent as he is. So when someone reads this back if they read that comment they would be quite surprised that I would say that.

[ Laughter ]

So I guess my -- my only comment here is, you know, Keith was talking about the interest groups and we already see that happening here. I believe there was a meeting of a bunch of community applicants. They met here or are meeting at some point this week. I think there's also a geographic one, and I've heard rumblings of some brands or single registrant TLD groups that are self-forming, and I think that's great. I think that shows the flexibility of the model. I would try to do a plug to get a lot of them into the NTAG so we can hear their concerns and also to welcome them to form such groups, and I think that's something we can look forward to in the future. And, you know, to the extent that we can help within the registry stakeholder group, we're always willing to listen and try to work them into our

model. We're a welcoming group. Even though we look kind of intimidating, we like to welcome people.

>>DAVID MAHER: Thanks, Jeff. We have about one minute left, and I feel compelled to say a few words about patents. The few words are fair, reasonable, and non-discriminatory licensing terms. This is well-known among patent lawyers as a solution to the problem where you have a standards organization and one entity or another have patents on processes or mechanisms that are required to meet the standards. And I think that FRAND is another acronym that we need to put in our vocabulary, fair, reasonable, and non-discriminatory. I have now said my piece about patents. Are there any other questions or comments? Have I missed anyone?

>>THOMAS ROESSLER: Thank you, David. I think that actually answered the underlying question with a yes and that might make sense since we've heard from a number of constituencies, where are you coming from, why is this coming up. To very briefly frame the question a little more broadly. So fundamentally where we're coming from is the work that we do here is work that frames business processes. There might well be patents out there that are -- that anybody who wants to comply with a particular policy or who wants to implement a business process that is needed to comply with an agreement they have with ICANN, that anybody of those -- that would be essential to those things. Those things might well exist.

Additionally we have an open process here where just about anybody can provide input. And we don't know what that clever input is coming -- where the input is coming from. And as David says, in the standards world we know a lot about -- we've seen a lot about people making constructive input and later cashing in.

The question, therefore, was, is there interest in the community engaging in a broader conversation about how ICANN, as a community, as a process, ought to deal with patents held or applied for by those who are contracted parties, who are participants in the process, who are contributors to the process. And I think your answer implies a yes to that, and I think that's a welcome piece of input.

>>DAVID MAHER: Thank you. And I'm willing to volunteer to be part of the working group or whatever is created to deal with that. Oh, Jeff. Go ahead.

>>JEFF NEUMAN: Yeah, so -- yes, the answer is yes. And we had this conversation with the council as well. The answer is yes. Obviously before you get to the fair, reasonable, and non-discriminatory pricing you get to the fact of disclosure. Disclosure is step one.

So the answer is yes, I think we do need a process. And it may not even be necessarily the people that are in this community right now that need to do it. I mean, there's obviously a -- heavy legal involvement that's need. And I had said the other day about a legal working group but then understood Thomas' point that, you know, it's a legal working group and those that are experienced in the standard

processes. And not just the IETF or the W3C but there's plenty of examples out in the telecom industry and media that have these types of policies. So yes.

>>DAVID MAHER: Thanks, Jeff. I think we've arrived at 2:00. A minute after. If there are no other comments or questions, again, the registry stakeholder's group is enormously grateful for the opportunity we have at each of these meetings to meet with you. We thank you for your time and your input and questions.

[ Applause ]

>>STEVE CROCKER: And equally we thank you. This is the kind of interaction that we look forward to and appreciate the direct and substantive interactions. Thank you.