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SAN JUAN – ccNSO Members Day 2, Part 3  
Wednesday, March 14, 2018 – 13:30 to 15:00 AST  
ICANN61 | San Juan, Puerto Rico

UNIDENTIFIED MALE: Good afternoon. This is ccNSO Members Day 2, Part 3. We will be in session from 1:30 through 3:00 in the afternoon on Wednesday, March 14<sup>th</sup>, 2018. Meeting Room 209-BC.

UNIDENTIFIED MALE: Good afternoon, everyone. I hope you had a lovely lunch break. We'll kick this session off in one minute or maybe two, depending how on how lucky you might be.

Okay. Let's kick off. Good afternoon, everyone. Thank you for coming back from lunch for this extraordinarily exciting session updating you on the progress of Work Stream 2 of the ICANN accountability improvement process.

I am going to run you through a brief presentation by ICANN accountability standards. I'll just give you a sense of where the project is at. I will take you through the key recommendations. I'll outline the process going forward and the fact that we'll be looking, I think, to the ccNSO to make an approval decision at the Panama meeting. I'll ask if you've got any questions, and

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then we will go onto the much more exciting ccTLD update section of the agenda.

So that is what I will do for you. What you will do for me is have a fun time listening. And maybe some questions.

In terms of the current status, this project was divided into eight different topics. These are the eight different topics. Four of those topics went through public comments and more or being finalized last year. Four of them have had public comments towards the end of last year and were finalized by the CCWG as final drafts this year, most recently at the meeting on Friday last week.

So the good news is that we've got final working documents in all of these topic areas. There isn't a holdup in the planned timetable of the project.

What I'll do now is just give you a sense of a flavor of each area because some of these we will have talked about before and some not. There is what I would characterize as a very large amount information available if you want to delve into any of the details. A link to where those details live is at the end of the slide pack.

I'm not going to be able to use that with my computer.

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The thing that's coming next in the process is that we're compiling all those recommendations together and we will be running a final public consultation. It's really important to say that the final public consultation is to see any views about inconsistencies or clashes between the recommendations that are in the report. It is not an opportunity to provide new, substantive input on the recommendations. If you do that, you're new, substantive input would be recorded and made available to whoever next looks at these topics.

But the CCWG will not be able to make adjustments to recommendations about anything other than ironing out any clashes or inconsistencies. We haven't found any. That doesn't mean other people won't find any. So that's the point of this comment period.

That should be launched late March. We should be finished with the analysis of those and getting a final report out for approval, I think, in early June, or maybe late May. About three weeks before the meeting is our target at this point.

A quick run through the recommendations. There's a diversity set, which looks at what diversity means in ICANN, how we can measure and promote it, and how that can be supported. A lot of this is suggestions for SO/ACs to take up and providing some resources from the organization to support that process. So this

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is not going to force the ccNSO to do anything. It will provide some increase of information about diversity and about some hints about what we could do to improve it, which the Council will need to take into a work program going forward.

“Guidelines for Good Faith” is such a bizarre title for this piece of work. You might remember that, during the transition, there was a new accountability power through which directors could be removed by the Empowered Community. All that these guidelines for good faith does is explain what we would need to do to avoid being sued by ICANN.

No? Bernie is shaking his head. It provides a code of conduct by which, if you do follow it, you’re likely to be acting in good faith and you’re not going to create a reason for someone to try to sue you in the process.

No? He’s shaking his head again. Bernie?

BERNIE TURCOTTE: ICANN will indemnify you if you are sued.

UNIDENTIFIED MALE: That’s a much better way of putting it. Yeah, it gets you into the indemnity process. So you need to worry about this if you are

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looking at trying to remove an ICANN director. If you don't plan to do that, you don't need to worry about it.

The Human Rights Framework of Interpretation was a follow-on from the human rights bylaws changes. It has been developed. ICANN is working to implement it already. So there's nothing controversial in that.

Jurisdiction has been one of the stickier topics in the ICANN Work Stream 2. There are two sets of recommendations. One relates, basically, to how ICANN deals with sanctions on potential registries and registrars. There are a set of proposals about how to work better with the U.S. government on those particular sanction issues.

The other one is that there's a recommendation that there be a choice-of-law and choice-of-venue provision in ICANN registry and registrar agreements. That'll affect you if you are dealing with registrars a lot or if you are running a gTLD. Unfortunately, ccns are not necessarily contracted parties.

These are suggestions for the contracted parties in ICANN to work through. That's the status of the recommendations. That did end up getting signed off last Friday.

There's some recommendations on improvements for the Ombudsman. The Work Stream 2 process got handed the ATRT2

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or 3 review process of doing an independent look at how the Ombudsman was functioning. ICANN found an external provider to do that external review. These recommendations built those recommendations into them and got broad community support. So it's about enhancing the effectiveness and the independence of the Ombudsman system in ICANN. That's my summary.

On SO/AC accountability, there are, again, a number of things that are suggestions for SOs and ACs to take into account. They are all framed as shoulds. It doesn't create any requirements for the ccNSO. The group ended up not recommending the proposed mutual accountability roundtable. If you're curious about that, I can talk to you later.

It also had a look about whether the Independent Review Process (IRP) should be applicable to SO/AC activities. The thought was that this was not the case; that that would be overkill. So it doesn't recommend that expansion of the IRP's scope into the work of the ccNSO.

Staff accountability is about explaining better the mechanisms that are already in place for staff accountability in ICANN and defining these clearly in terms of this mix of staff and organizational accountability for performance and developing some service-level definitions and guidelines to help to make it clear to everyone what kind of level of service we can expect

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from ICANN on a range of things and giving ICANN some clear guidance to what the community would like to see in that area. So, relatively, again, it's a simple set of recommendations.

The transparency stuff is about saying that ICANN as a multi-stakeholder organization should be as open and transparent as it can. These are quite a detailed set of recommendations about improving document information disclosure policy, interaction with governments, transparency of board deliberations, improving the whistleblower [faction] and so on. Once again, that's saying: let's make this organization as open and transparent as possible.

So that's a quick run-through. Of course, there's lots of detail. If you have the urge to delve into any of it, feel free. If I don't know the answer to the question, I can find you the person who does.

We will be launching the public consultation, as I said, mid-March through early May. We will review those comments, which are about inconsistencies prior to ICANN62. We would like to seek endorsement of the recommendations by the SOs and ACs at that meeting. Then it will be submitted to the ICANN Board for approval.

The board asked a lot of questions in their public comments about implementation, about prioritization, costs, etc., etc. What we agreed on on Friday in the CCWG was to say to ICANN,

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“Look, you need to approve the report in principle, and then there needs to be an implementation plan developed.” The CCWG is a bunch of community volunteers that doesn’t have the skills or resources to prioritize and develop and implementation plan, budget, and so on.

We think that this implementation process is going to go on for some time. It might be three to five years because there isn’t an endless amount of money and there isn’t an endless amount of volunteer or staff time to do this. There’s probably a logical sequencing that can be developed based on the impact of benefit from the change, how long it will take to do, how complicated it is, and so on.

So what we’ve proposed is that there’ll be an implementation group of the CCWG to help support the implementation process. We’re suggesting to the board that they do a community consultation on the implementation plan at various relevant points to test their proposed sequencing prioritization cost based and so on.

So it’s not going to be a case of the CCWG trying to hash it together quickly, and it isn’t going to be a case of the board having a one-fell-swoop demand: “This is how we’re going to do it. See you later.”

That is all I’ve got for you. Are there any questions or comments?

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If there are, you should make a dash for the microphone to beat the queue. While everyone is thinking about it, I would just like to say that I'm deeply looking forward to this process being finished.

Anything else? Everything else. Yeah, this process started at the end of 2014, so it will be good to wrap it up in 2018 if we can.

If you have no questions, we aren't allowed to start the next session until 2:00 because of the remote participants. So instead of me singing you a song or withering away, I might just leave you with some laptop time. I don't do standup comedy. I only do sit-down comedy.

No? Ah, Nick. How can I help?

NICK WENBAN-SMITH: I just want to say a big thank you on behalf of all of us for your work in this area so we don't have to. I'm very grateful for your [inaudible].

UNIDENTIFIED MALE: Thank you. When Mathieu Weill said he was standing aside and that I needed another one, I was like, "Ooh." But it appears that we're going to get there. So I appreciate that, Nick.

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Okay. Well, let's give you 15 minutes back to do whatever it is that you would like to do, unless someone tells me we should do something else. We'll start the ccTLD news session under the chairmanship of Pablo Rodriguez at 2:00 sharp, which is in 15-and-a-half minutes.

Thank you.

**PABLO RODRIGUEZ:** Good afternoon, and welcome. In about three minutes, we will be having the ccTLD new session. This is Pablo Rodriguez, and I will be chairing this session. Those presenters that will be with us are Joe Alagna, Gudrun Poulsen, Irina Danelia, and Fernando Espana. You can start moving towards the front, please.

How are you, Joe?

**JOE ALAGNA:** Great.

**PABLO RODRIGUEZ:** We're just going to give Fernando one more minute. He's on his way here. Thanks.

Well, while we wait for Fernando, we're going to start with Joe's presentation, which is on the five pillars of a successful registry.

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This is an opportunity for every one of us to take pointers on how to best ensure that we have a successful registry.

That said, Joe, thank you.

JOE ALAGNA:

Thank you, Pablo. Good afternoon, everyone. For those of you I haven't met, I'm Joe Alagna. Just a little background. I want to thank the ccNSO for letting me share these ideas with you. I've been in the industry almost 20 years, since the year 2000. I actually became interested as a domain investor but somehow ended up going to work for a British registry. I managed the North American markets for about 12 years. The last four years I've been 1&1 Domains, which is a registrar very focused on country codes. That's where I really learned the most about country codes and became pretty passionate about them.

Since last year, I've been a part of Afilias. I joined them in June. I'm also a member of the Domain Name Association – a board member with the DNA.

What I want to talk to you about today – well, first let me give you a little introduction to Afilias since we're going to be talking about news. I'll try to go through this fast. I'm going to ask somebody to look at their watch and raise their hand when I hit

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four minutes because I understand I have ten. I just don't want to go over.

Anyway, Afiliis was established in 2001, launching .info. We have offices around the world. We're one of the first foreign registries licensed in China. We manage about 22 million domain names under management. That's over 200+ top-level domains.

We have pretty much, I would say, three primary business lines, as I like to call them: that of the registry operator, that of the registry services provider, and that of secondary DNS. The ones that we manage, that we're involved with as a registry operator, where we actually own the TLD, as well as – let me make sure; I'm a little lost on my slides here – include .info, .mobi, .pro, and .bio. We have an IDN that means .mobi in Chinese.

We're also a registry service provider. These are organizations who have hired us. We are in the background. We don't tell them what to do. They tell us what to do. They're very important players in the industry, such as .org, .global, .vegas, and many country codes that you see listed there as well. And I can't forget to mention .pr.

UNIDENTIFIED MALE: [inaudible].

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JOE ALAGNA:

Because we're very proud and very excited to be working with this organization, which we completed very recently. We're very excited about it.

We've also become involved with .au, another very important domain that we are very privileged to be working with very hard. We expect the transition for .au to be completed in mid-2018.

Now the fun part. I want to talk about success. What makes a registry successful? I can speak based on 18 years of working with registries that have grown and become successful and being a part of the industry.

I like to talk about an American icon, a guy named Vince Lombardi. Those that are American here would know him. He was the head coach of the Green Bay Packers in the late '50s/early '60s. He won six Division Championships, two Conference Championships, and two Super Bowls. Because he has so exemplified the spirit of football and winning, the NFL named the Super Bowl trophy the Vince Lombardi trophy.

It was in 1961 when had 38 professional football players in front of him. He held up this football and said, "Gentlemen, this is a football." Now, it's kind of strange to tell that to a professional football player. Or did he mean this was a football? No, actually he meant this one. I was just kidding.

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Anyway, his point was to consider the basics. That happens to me all the time, so I had to put that in there. I really think that the answer to success in a registry is not all that complicated. I've thought a lot about this, especially since I've gone to work for Afilias, because I think we do have to go back to basics and the things that registries do.

I think we have to realize how important what we actually do is. The TLD is really important. DNS is really important. We need to do these things better. We need to scale them better. When you think about our clients – the governments, the hospitals, the businesses – how important is it that we succeed in what we do? I don't think you can place enough value on it.

When I came to work for Afilias, I thought, "What's a real easy way to summarize what's most important to registries?" I wanted to keep this as a foundational idea. I thought about it a lot, and I came up with this model here: the Successful Registry Business and the Five Pillars. I'm going to breeze through them.

I think the first one is transparency. By the way, I know I'm talking to an audience that probably knows way more than I do in many cases, so please bear with me. Again, I wanted to talk about basics because I think it's easy to get wrapped up and lost in all of the technology and the law and the GDPR and all the challenges that we face.

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So I'm going to go through them. Transparency. Are we transparent? Are we engaging our audiences? Are we engaging our stakeholders and our customers?

Reach is a big one. As a registry, no matter what your objectives are –non-profit, whether you're a university, or whether you're a for-profit business – I like something I heard the other day. Somebody said, "We want to be a non-profit, but that doesn't mean that we don't want to profit." In other words, they need money. We need money to good things. If we want to do good things, we need money.

And you need reach. You need to be able to expand the audience that you're doing business with, including registrars around the world.

Being unhindered. It surprises me. This is especially true in new TLDs and some of the sponsored ones. All of us are guilty of this a little bit. We make it hard for our clients to buy. We need to understand that markets work if you let them work. If we put too many restrictions on our markets and our registrars and resellers, we hinder them.

Security. I'm not going to talk about it because we talk a lot about security. But I think it's a big one.

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Finally, the technology. Are all the things you're doing automated?

In essence, if you look at this really closely, the idea was that these are the pillars that build trust. They're the underpinnings. If people can trust us with their business and if we build that trust through our transparency and if we're growing and we have the money to be able to expand our business in an ethical way, I think we go a long way.

I think I'm going to have to skip a few slides.

I talked recently about how we're going to be defined by our challenges. I talked about things like the legal and procedural – I'm going to skip through this – technology, security, and competition. I think this platform competition is a huge challenge. I don't have a technical background, but I can see competition. I have a marketing background. I've seen registries grow.

I'm going to tell you the challenges that come from the platforms. People don't need a domain name to sell products online. They can go to Amazon and sell it through them. They can sell stuff on Facebook. There's Wix and Weebly. They don't really need domain names. WordPress doesn't require domains. They sell them but they don't require them. We have to be better

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at explaining why it's important to use your own identification, your own domain.

I was talking about challenges. I wanted to use this slide because I love this little image of – I used to think that English was the world until I saw this slide and realized that it's only about a couple percent – maybe 10% – of the world. There's just a lot of languages, and that presents challenges.

I guess I'm getting close to my time, so I want to say is that we need to think more about these basics. We need to think more about our reach, about creating demand. That's something that I don't think gets paid attention too much. How will we create the demand?

We're able to fill the capacity. We have lots of room for growth. But if we don't work on how we're going to create growth, I think we have a serious problem.

I do love country codes for one big reason. Country codes say, "I'm nearby. I'm your neighbor." We got to get that message through to the people that we're marketing to.

I guess that I made it. I think I did it in my ten minutes. I'm sincerely grateful to be –

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UNIDENTIFIED MALE: You have a minute.

JOE ALAGNA: I do have a minute. I'm sincerely grateful to have been able to present something that I think is a little bit not normal for an ICANN meeting. But it's my normal. I've always been in the business of trying to create demand for the companies that I work for. For many years, I've been privileged to work with good registries.

I encourage us to continue the dialogue, to look for more ways and more idea, to expand on this trust and these five pillars, and to keep it as a basic tenet of what we do and what we promote and how we help the smaller and growing TLDs, ccTLDs, to become the success in whatever it is that they're trying to accomplish.

Thank you.

PABLO RODRIGUEZ: Wow. With 22 seconds to go. You're awesome.

JOE ALAGNA: It wasn't [inaudible]. It wasn't [inaudible].

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PABLO RODRIGUEZ: Yeah. That was great. Thank you, Joe. Are there any questions on the floor?

Specifically, I do. How do you work to establish that transparency? Especially the board in which it engenders trust among the ccTLDs? Or the registries. I'm a registry.

JOE ALAGNA: It goes beyond transparency to truth. I remember that, early on, when I worked for a registry that was very small, I would try to bring this idea to registrars. This was a channel with which we needed to succeed. There would people that said, "We only have so many domains. Don't talk about that." I always thought, "That's not a good idea. We need to be open and upfront about what we have and not ashamed of it."

I had an old boss that once taught me, "The truth will never hurt you." He said, "It may not always help you, but it will never hurt you." I've always remembered that. I don't think we should be ashamed about the stage that we are in in our business. Don't try to act like you're something you're not. Be truthful. Be transparent. I think people will trust you more.

PABLO RODRIGUES: Excellent. Thank you so much. Are there any other questions on the floor?

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Seeing none, we'll move to the next presentation. That would be the .fo administration.

GUDRUN POULSEN:

Good afternoon to everyone. My name Gudrun Poulsen, and I'm from the Faroe Islands. I took this slide because almost everyone asks me, "Okay. Where are the Faroe Islands?" So I marked it on the map. It's like a T. It's above England and a little southeast from Iceland. It's a really small country, and we got the ccTLD .fo.

Before I start to talk about the ccTLD, I want to give you a brief summary of the history behind the islands. The Faroe Islands are a part of the Kingdom of Denmark, but we are a self-governing region and have been for many years.

We have our own parliament. We have our own prime minister. We have our own flag and our own language. Even though Denmark is a member state of the EU, we are not. The population in the islands is 50,000 people, and we are proud to be Faroese.

The ccTLD .fo was approved by IANA in 1997, but at that time, it was delegated to DIFO, which today is known as DK Hostmaster. Due to the history of the islands, the Faroese government requested a change to self-regulate the ccTLD back in 2003.

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The approval went through in 2004, where a board of four directors managed the ccTLD .fo.

The development of .fo – this is how it looks today; there’s a lot of snow. Due to lack of leadership, the Ministry of Trade appointed four new board members in 2016. This was when I was given the opportunity to be the ccTLD manager of .fo.

The ccTLD area was completely new to all of us, but since then, we have been attending ICANN meetings and Nordic meetings, and we are a member of CENTR. We have been listening and learning a lot.

In the spring of 2016, we changed the strategy between .fo significantly. The very strict regulation was rewritten, and it became much easier a .fo domain name. Since the launch of the new site, .fo registration increased 35%, approximately with 1,500 registrations. We haven’t even opened up for global registrars yet, and not even IDNs.

Now you’re wondering how many domain names we have. To date, there are 4,300 .fo domain names registered, but our goal is to increase that significantly.

Lately we have been working strategically on a new site, which will be launched this spring. We will open up for global

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registrars, and it will also be possible to register domain names with Faroese letters. So we will open up for IDNs.

UNIDENTIFIED MALE: [inaudible]

GUDRUN POULSEN: Actually, we are not a member state of the EU, so we don't have to implement them.

UNIDENTIFIED MALE: [inaudible]

GUDRUN POULSEN: Yeah, we have to, but not until 2023. So we have a lot of time.

PABLO RODRIGUEZ: We'll have questions after she completes her presentation. Thank you.

GUDRUN POULSEN: No, that's fine. The numbers in these slides are only estimated numbers, which were gathered some time ago. As it was very difficult and expensive to get a .fo domain name two years ago, many Faroese companies and individuals bought a .com or a

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.something-else. Our hope is to get every Faroese company and individual to register a .fo, as they have a .com or something else. We have therefore implemented a strategic strategy that we intend to follow very closely.

Oh, I don't know why the – it's not showing on this slide. Whatever.

Our strategy is that .fo shall be the natural first choice in the Faroe Islands and that the .fo domain name shall be easy to register and easy to use and that .fo is a same choice and that we continue to operate efficiently keep .fo competitive.

This will be my last slide, actually taken from my house. I just want to thank you all for listening. I will look forward to following the work of ICANN and the ccNSO.

Thank you.

PABLO RODRIGUEZ: Thank you, Gudrun.

GUDRUN POULSEN: [inaudible]. I think I was very [inaudible].

PABLO RODRIGUEZ: Doctor, go ahead.

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EBERHARD LISSE: Why did you show us a picture with the Northern Lights?

GUDRUN POULSEN: You have to go to the website. Visit Faroelands.com.

PABLO RODRIGUEZ: Awesome. Are there any other questions on the floor?

Well, I have some. You said that, at this point, you don't have any global registrations. Can you expound on that?

GUDRUN POULSEN: We do have global registrations, but we don't have global registrars. So it is opened up for that.

PABLO RODRIGUEZ: So you have your special character set and you intend to develop on that when you talk about IDNs?

GUDRUN POULSEN: Yeah. As the Faroese language is really different from other languages, we have our own "s" in my name. I have a Faroese letter. We have heard from our customers that they really want

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to register Faroese domain names. So, yeah, we will open up for that.

PABLO RODRIGUEZ: Excellent. Ivy, please.

IVY CONTRERAS: [inaudible]

PABLO RODRIGUEZ: No. Not quite. Can everyone hear?

IVY CONTRERAS: Hello? No? There we go.

PABLO RODRIGUEZ: There we go.

IVY CONTRERAS: Good afternoon. Nice presentation. Thank you very much. I wanted to know how you are promoting the .fo. What is your marketing strategy? That's it. Thank you very much.

GUDRUN POULSEN: Our marketing strategy? Hmm.

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We haven't really discussed how we're going to do it. Maybe we can have a chat afterwards.

PABLO RODRIGUEZ: Are there any other questions on the floor?

Well, seeing none at the time, we will move on – I continue to shut myself off. We will move on to listen to Irina. We will listen to the Russian .ru experience in increasing price for domain name registrations.

Huh. Increasing price.

IRINA DANELIA: Thank you, Pablo. Good afternoon, everyone. Those of you who come from the European region and had a chance to attend the [Center] GA in Brussels in October have already seen most of these slides, so you can do some of your own stuff if you wish. But I suggest that you turn back at least by the end slide because there are some new figures added. For the others, I'm going to share our experience in the significant price increase, which I'm not sure has ever happened in the ccTLD world.

Okay. How does this work?

PABLO RODRIGUEZ: Right.

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IRINA DANELIA: Right. Now...now...

PABLO RODRIGUEZ: [inaudible]. I guess there is a delay.

IRINA DANELIA: Perfect. The price for the .ru domain name a long 20 years ago was really high. Probably we started from a hundred dollars. Then it was steadily decreased, but during the last almost ten years, it was stable and equal to 70 rubles, which, at the current exchange rate today, is \$1.20 American dollars, or approximately one euro. That was the price [inaudible] from 2007 to 2017.

At the same time, inflation was in place. According to the official data, it was 128%, if you calculate. So all the prices in the country were growing, except the price for domain names.

Also, at the same time, according to [Center] data, in 2015, the median price for the registration and renewal of domain name was around 7 euros. Most of the prices for the TLDs available and mostly popular in Russia are much higher. I've been talking about the wholesale price for the registrars all this time.

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Also, the registrars themselves were feeling quite free to increase their prices, so their initial registration was more or less stable, but their renewal price growing year from year, month from month.

In 2014, we actually did the first attempt to adjust our wholesale price. This was motivated by the negative trend in the domain name count we had noticed in 2014. We were also quite negative in our forecast for 2015. So we actually proposed just a small adjustment, around 12 rubles, which is almost nothing, in my feeling.

But at that time, our initiative had been declined. Our Council, which was the main managing body over the organization, declined the proposal.

As I told you, as an outcome we had to be more accurate in our expenses. As usual, advertising suffers first – marketing expenses.

But a couple of years later, we came back to the idea and started to come to this exercise more thoroughly. What we did was a price elasticity study. It was the first time in my memory that we did this study. It was qualitative research, based on face-to-face interviews or telephone interviews; personal interviews, not via the Internet. Registrars, resellers, and end user registrants participated.

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Actually, that started to give us a pretty good feeling that the market more or less understood that the price increased would happen, that it would not stay like this forever, that there are really reasons why the price might increase. It also gave us a feeling of the potential range, to which level we can go.

Finally, the decision was made – and which came into force in July 2017 – was to increase the registration and renewal price 70% compared to the initial level. So we went from 70 to 120 rubles for registration and renewal.

The official explanation that we announced, that we used in our public communication, was that the reason for that was that we needed more money to fund the [gross cap] projects focused on the development of the domain name registration system, on facilitating the security of the Internet user, and on broadening the use of the global network to the benefit of the users, business, and the state.

Really, our stakeholders wanted us to be able to put more in the big-scale projects, which somehow fit our mission and our statute, and to be able to support financially a number of initiatives.

Also, before doing that step, we actually did quite a detailed forecast. We keep track of several years of the statistics of how our customer base looks in terms of domain name

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administrators. We track the number of domain names by the category of registrants, like registrants who hold from 1-10 domain names [and] one registrar, and more, and more, and more. Actually, the biggest and the best and the basic group which we really care most of all about is the group of registrants which have from 1-10 domain names. There's more than [56] domain names. We think that this is our basis, and until this group grows, this demonstrates, actually, the health of the domain name zone.

In the upper groups – yeah, I see – we know that there are also domain [inaudible]. There are people who invest in domain names or buy them for themselves. These are not actually our favorite customers.

So we did a forecast each segment of this group of domain name registrars, which gave us a pretty good adjustment on what's going to happen with the number of domain names. As we saw in the future, we were quite close. Actually, we were good in our predictions.

How did the market react? The decision itself was made in February. It came into force in July, but it was made in February because we insisted specifically that we needed to give enough time for the market, for the registrars, to get prepared. This was quite a significant change.

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When we first announced that, none of the registrars really believed that would happen. Months later, they woke up and they started to struggle. They sent letters to our managing bodies. They arranged voting and – surprise, surprise – most registrars voted not to increase the price. Could you imagine?

We had an open public consultation. We actually had complaints to the Federal Anti-Monopoly Service, which was assigned by nine registrars. We got a request. We sent our explanations. The investigation is still ongoing. Finally, this decision came into force.

An unexpected side effect of that which we actually hadn't thought about was the big increase in registrations and renewals right before the increase. The registrars who were able to make renewal of the domain name according to the [alt] price did that.

Another side effect was a strong discussion regarding transfer because we charge for the change of the registrars. It's the same price as for any [inaudible].

Here are some figures which show what's happening with the zones. It starts off with .ru and [.rf]. We are actually doing better than we forecasted, so we are quite happy with the results.

Thank you for your attention. Sorry, I'm one minute late.

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PABLO RODRIGUEZ: No. That was an amazing presentation. Especially I'm very surprised with a lot of the research that went into this.

Are there any questions on the floor regarding this price increase?

Well, I have plenty of questions about that. I'll tell you why. I strongly believe that registrars need to consider their markets and decide what the price is. I strongly believe that revolutions, as well as businesses models, are un-exportable. Consequently, we cannot just look at a business model someplace else and believe that you can adopt it and that it will work successfully.

For those of us who charge more than what others normally charge, it is extremely important to ensure that we provide the services that our community requires, not only our registrars but our registrants as well.

I would like to know a little bit more about the pushback. Was there a pushback from the community? You did mention that some of the registrars complained about it. How were you able to get them to adopt this, if in any way?

IRINA DANIELIA:

First of all, since I joined the Coordination Center, the registry, in 2010, I was asking, “Why is the wholesale price so cheap? It’s too cheap. The domain name has a value, and it should have actually a fair price.” After that increase, it’s still less than \$2 U.S. So it’s still much cheaper than what most TLDs charge.

Returning back to the market, those who complained were registrars doing the business on domain name reselling and [inaudible]. So they have big numbers of domain name registrars registered. One account has 200,000 domain names. It’s one registrant. It’s definitely owned by these [domainers].

For them, this is a direct cost, so they definitely complained because they keep paying money for these domain names, hoping to sell it one day. But those who were quite neutral – if you remember on these slides, I mentioned several registrars which were quite comfortable with this decision – were actually the biggest ones, who are having about 70% of the market. They passed some of this price on to the end user but they are dealing with customers. If the price for their customers for renewal went from 600 rubles to 630 rubles, that’s not a problem for the customer. And it was not a big problem for the registrars.

PABLO RODRIGUEZ:

Thank you very much. That was quite impressive. Thank you.

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Now we will hear the story about .us. One of the things that I'd like to say about .us is that it's the one ccTLD – love you all, but .us is one that is close to our heart in Puerto Rico. So we have an excellent relationship. Puerto Rico is as much the home of .us as is the mainland. They are loved and welcomed here.

That said, here's “.us 2017: Awareness and Outreach,” with Fernando Espana. Thanks.

FERNANDO ESPANA:

Thank you, Pablo. My name is Fernando Espana. I'm with .us. I'm actually excited to be back at the ccTLD, at the ccNSO. I see a lot of familiar faces, but I see a lot of new faces as well. I've been involved with NeuStar pretty much since .us was launched. I have participated in the ccNSO before. I'm glad to be coming back, and I look forward to meeting some of the new people that I see here.

I'm also thankful to be able to give you an update on what we'd done in .us last year. I'll just give you some statistics right now. Last year we had about 2.1 million names under management. In terms of newly-created registrations, we had about a 46% increase year over year. Our blended renewal rate is 80%.

In .us, we have what's called a nexus requirement, where, at the time of registration, the end user selects whether they're an

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individual or business. Because we have that information, 59% of the registrations are identified as individuals, and about 25% are U.S. businesses.

89% of the registrations are done in the top ten countries, the U.S. being one of those with about 75% of the registrations from U.S. registrants.

Last year we started off the year with a campaign, “This is .US.” It was a 45-day campaign, where we targeted couples that were getting engaged. We came to know that engagement usually happens in the beginning part of the year. Maybe it’s because Valentine’s Day is around that time. We targeted that audience for them to get a .us for their wedding website. Once they get engaged, they have to plan their wedding, location, etc., and the website is part of that planning. We wanted them to use .us as their official, personalized website.

This was an online social media campaign. We had 6.5 million impressions. I’m very happy that it drove about 20,000 website visits. Facebook was the platform that worked better for us in terms of conversions. This was the first time that we did something with Pinterest. Pinterest came to be the most socially-engaged venue to do this type of activity. Although the conversions were not there for Pinterest, but at least from the social engagement perspective, that was a good success for us.

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In terms of the total conversions, we had about 1,250 conversions that came through this. Those were done through a registrar partner because we as the registry don't register the names directly.

After that, we started a promotion for National Small Business Week, during the week of April 30<sup>th</sup> through May 6<sup>th</sup>. So we wanted to also address the small businesses owners. This campaign was targeted to U.S. based businesses, small businesses, and we wanted to promote a lot of the materials that the Small Business Administration has, as well as promote some of the .us cases that we have and promote the usage of .us.

This was mainly an online campaign on Facebook and Twitter. The call to action was pretty much for the small businesses to learn more about business resources, tips, and tricks on how to get their business online.

Following that, we did a campaign called "Dream with .US." That was a campaign from June 26<sup>th</sup> to July 24<sup>th</sup>. The target audience was what's called the main street business – the small business owners who don't really have a website. They maybe have a Facebook page, where they do some of their promotions. We targeted those businesses to help them understand a little bit more how to get online and that registering a website is not as

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scary as they may think. They don't really need a host master to help them with that.

We provided different tool kits that help them start getting their URL, learn how to get traffic to their website, and learn how to promote their business. This was done via social media. We provided content for them to download these tool kits, so that they could learn more about setting up their websites.

Here are some examples of the content that we provided. During this campaign, we had about 2.4 million impressions. We had about 1,200 page views on our [blogcast]. The tool kit actually was downloaded about 350 times during this period.

Total conversions for this? This program wasn't necessarily to drive conversions. It was more to engage the community and get them to learn about setting up their websites online and their online presence and how to deal with social media marketing and how to deal with hash tags and ultimately help them drive traffic to their website or their business and generate leads. The conversion for this program? We had close to 900 registrations. Once again, those were done through a registrar partner.

One of the things that we also ended up doing was we refreshed our website. In 2016, as you can see on the right-hand side, it was more of a templated-design website, and now it's a fully-responsive website. It works on mobile very well. It has a fresher,

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cleaner look. It actually helped us get some organic traffic. We saw about a 375% increase in traffic. Social media referrals increased 300% year over year. New users averaged about 80% of the overall traffic that we get. So this was something that we needed to do for a long time. In 2017, we ended up refreshing our website.

We've also done some campaigns online on Google for promote .us. The key words that we use, for example, are "domain," "registry," or "TLD." That's an ongoing campaign. Once again, we're trying to drive awareness of .us as the TLD of choice for businesses, families, and couples (as a dot-"us") and also be able to provide resources to small businesses and have them go through About.us to learn more about the tool kits that we provide for them to get online.

We also launched this partnership along with Weebly. Weebly, as some of you may know, is a website builder. The partnership is to bring the digital learning platform to allow students to engage in the educational courses around the country. .us, in partnership with Weebly, is proud to sponsor the Everfi program and allow students 13 years old and over to build websites.

That's it. I don't know [inaudible].

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PABLO RODRIGUEZ: Thank you very much. Are there any questions on the floor?

Please, come to the – thank you, Patricia.

UNIDENTIFIED MALE: [inaudible]. NIC Chile. The growth of new [creations] is really impressive. What was it before these campaigns?

FERNANDO ESPANA: I remember that, before, you asked me a question. You saw some off the growth that we had before. Other than the campaigns that we do, we also do partnerships with registrars. We rely on registrars to grow our business, so we do partnerships with them. We do promotions and flash sales sometimes. That helps us in terms of the growth that we have.

I have to get back to you on the actual percentage prior to that, but, yeah, we rely on registrar marketing campaigns.

[WEISLER ROVICH]: I'm [Weisler Rovich] from .rs, which is the Republic of Serbia, the country. But also it's the ended in many plural English words; "printers," "computers," etc.

I like your campaign about "us" – as in a couple. But [inaudible] past couple of years, I've had some test questions for colleagues

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– not colleagues from the domain world, but other colleagues and friends.

First of all, “What country is .me?” Everyone says, “What do you mean; “country”? It’s .me. It’s like “I.”” I said, “No. It’s Montenegro.” Nobody knows. Of over a million .me domains, maybe about 20,000 are actually cities and businesses of Montenegro. All those others are of those who want the “me” domain.

It’s the same with .co. “What country is .co?” “What do you mean; “what country”? .co is something you register when your name is not available in .com.” Then I say, “It’s Columbia.” “Really?”

The third question is, “What’s the United States’ ccTLD?” Answers are, in 100% of the cases – this is not scientific; [inaudible] my occasional question – “.com.” I say, “No, no. Not gTLDs. ccTLDs; the country.” “.com.” I say, “Look, it has to be two letters.” Then I say, “.us.” On the other hand, you have two million domains. So my research was not that extensive.

My question for you is, do you intend to make your campaigns on the ccTLD based on the country – U.S. of A., of which the ccTLD is .us – or on something like “us,” the community or the pair or whatever the “us” is? Thank you.

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FERNANDO ESPANA: Thank you for the comments. Being in the industry for quite some time, we face the same challenges about promoting .us as the TLD for the United States. Just like yourself with the questions you've had, everybody thinks, or at the time, thought, the TLD for the U.S. was .com. So we definitely had an uphill battle to change that mindset. We are the .us TLD. We are America's TLD. So we are promoting to small businesses and individual users in the U.S. as .us.

This campaign that we did last year – the “This is .US” – was just a test that we did to play a little bit with the different meanings that “us” has with the wedding websites. But we are the country TLD, so that's our main, primary focus.

PETER VERGOTE: Hi. Good afternoon. Peter Vergote from .be.

I might have missed it, but I thought that you were mentioning that 75% of .us registrations are coming from within the country. Does that mean that you don't have a specific nexus requirement that it's also open for, let's say, non-U.S. individuals and corporations?

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FERNANDO ESPANA: 75% is the registration from the U.S. The nexus requirement: you can be a citizen that's living outside the U.S. and you can register a domain name and you may be living in England. There's also a lot of companies that are outside the U.S. but have a branch office in the U.S., or they do business with U.S. entities. That's where the nexus category comes into play.

PETER VERGOTE: Okay. Thanks.

For instance, a Belgian company without a branch in the U.S. would be able to register a .us?

UNIDENTIFIED SPEAKER: [inaudible]

PETER VERGOTE: Okay.

UNIDENTIFIED FEMALE: [inaudible]

PETER VERGOTE: Oh, thanks. Interesting.

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PABLO RODRIGUEZ: Thank you very much. Are there any other questions on the floor?

Well, this has been quite an informative session. I'd like to thank Joe Alagna, Gudrun Poulsen, Irina Danelia, and Fernando Espana. Can we give them a round of applause, please?

The coffee break is up. Can we reconvene at 3:15 back into this same room?

Thank you very much. So we're open for a coffee break, and we will reconvene at 3:15 in this room. Thank you.

**[END OF TRANSCRIPTION]**