ICANN68 | Virtual Policy Forum – ccNSO: Members Meeting - Governance Model ccTLD
Tuesday, June 23, 2020 – 15:00 to 17:30 MYT

KATRINA SATAKI: So, hello, everyone. Hello, dear colleagues, ccNSO members, non-members, ccTLDs, and all our friends. My name is Katrina Sataki. I'm the chair of the ccNSO Council and it's my honor to open the first virtual ccNSO members meeting during ICANN 68, which was supposed to take place in Kuala Lumpur. Unfortunately, we have to do it remotely and we can't see each other face-to-face.

Nevertheless, here are some rules. As you probably know, we were moved to webinar rooms. Initially, we wanted to use our traditional rooms. Now we are in webinar rooms which means that you can use chat. If you want to ask a question, please use the Q&A pod because it's really difficult to scroll through the chat because there are too many messages. Everyone wants to say hello to friends from other ccTLDs. So please use Q&A pods because those are the questions we are going to take and answer.

Again, hello, everyone. This is the first session of our ccNSO members meeting and we're going to talk about governance models of ccTLD managers.

Now, if I may share the screen, I'll do that, which I cannot do at the moment. Okay.

So, a little bit of history before we move forward. The idea for this session was suggested by some of our members. If you remember, October/November last year, there was a discussion on the ccNSO members mailing list about transfers and the different models, how these transfers impact the number of different models of ccTLDs and several members expressed their interest to know more about those transfers. But we decided not to talk about transfers explicitly.

The idea of this session is to look at different models of ccTLD governance and we identified four of them. One is not-for-profit, for-profit companies, then academic institutions, and government institutions. Of course, there are differences between different implementations of those particular models. So you can't say that all, for example, academic institutions are the same. Of course not. But we are not going to go into those details.

We are going to talk about those models in general, what they can offer, and probably at the end you'll see that we'll more concentrate on the issues which might impact the work of ccTLD regardless of their model of governance.

So, today, our session will consist of two parts with a 15-minute break in between. The first part, we will discuss those models, so to speak. I will give introduction, some statistics, analysis of those transfers that we were talking about last year.

Later, in the first part, you will see four excellent presenters who will represent one model each. Well, they will present their models and their registries from a governance perspective.

The second part, we will look more into those issues that ccTLDs face and how we can manage to address those issues.

So, without any further ado, let's move to this ccTLD governance models statistical analysis. But before I start, I'd like to have some disclaimer. Please note that this analysis may not be 100% accurate, because in many cases, we just had to adjust and make some assumptions regarding the governance model of the particular ccTLDs.

Nevertheless, we do think that we did a good job, but bear in mind that it might not be 100% accurate. But it shows trends. It definitely shows trends.

We always stress that when we talk about ccTLDs, one size definitely does not fit all. You can't take one model and replicate it one to one in another country because it just might not work. Of course, we can learn from each other. You can't buy a book "Running ccTLDs for Dummies." You just have to learn it by trial and error. If you can learn from your friends from other ccTLDs, of course it's always helpful. But you always have to look at the situation in your own country.

So, we had a number of transfers since 2003. Here you can see that … How long does it …? 17 years. In these 17 years, I wouldn't say there were so many transfers. Of course, again, as you can see, a region might differ from a region. The largest number is in AP, but as you will see later, again it did not happen one year. It's more scattered. So,   if you see by percentage of those transfers …

If you look at a year-by-year basis, again you see the average number of transfers per year is around three or four with some spikes in the beginning. In 2003, there were seven transfers. In 2017, there were six. But on very, around three or four. Here you can see regional distribution of those transfers by year.

Again, if we look at each region, we can't say that any of the regions are from AP, but first two years before AP, and then … Maybe not first two. Frist and third year. But the numbers are pretty stable.

And if we look at the changes of governance model, this probably is a more interesting table because it shows … Obviously, we used certain abbreviations, academic [inaudible], private company, governmental institution, or not-for-profit organization. Then there were also some individuals. We do not do them in a separate governance model but they appeared in those transfer data.

So, what can we see from here? I think it's pretty clear to everyone that the largest number of transfers is for companies, which means that, yes, apparently companies are more affected. For-profit companies are more affected by transfers. Again, if we look at the largest number for companies, most companies are indeed transferred into governmental institutions. What is the reason? We did not look into that. If there is interest, we could try to discuss those reasons, but those are just plain numbers.

As you can see, not-for-profit organizations, there are only two cases during these 17 years. And in one case, 50% of cases have been

transferred to another organization. So, as you can see, it's pretty safe to be not-for-profit.

Now by regions. In African region … And here, again, those regions not always are geographic regions in terms of normal geography. Those are ICANN geographic reasons, so again we had to make some assumptions.

So, in Africa, the largest number of transfers was from company to government institutions. Another thing I forgot to mention that, in some cases—I think it was like three or four ccTLDs, the transfers happened several times. Even up to three times. Somehow, they could not decide how to run the ccTLD.

AP region. Statistically, approximately 50% of ccTLDs there are governmental institutions, and there too you can see most companies have been transferred to governmental institutions.

In EU, again the same. In LAC, I just saw the low number of transfers in LAC region. Approximately, 50% are from academic institutions. If you look at the numbers, four times ccTLDs from academic were transferred to governmental institutions. Again, numbers are very, very low.

So, as you can see, again one size does not fit all. We are here to learn from each other. With that, I will give the floor … I'll stop sharing so we can go back to our presentations.

So, here you can see our four panelists today and panel discussions will be moderated by Nick Wenban-Smith from DotUK. So, these four

governance models will be represented. First, we'll start with not-for-profit will be presented by Philip Dubois, DotBE. For-profit company, Atsushi Endo, DotJP. Academic institution, Jorge Adrián Azzario Hernández, DotMX. And governmental institutions, Angela Matlapeg, DotCW.

With that, let me give the floor to our first panelist. Each panelist will briefly present their models. So, please, Philip, the floor is yours.

PHILIP DUBOIS: Thank you, Katrina. Just waiting for the slides to be put up. Thank you. We can move onto the first slide. So, as Katrina mentioned, I will be explaining the not-for-profit model, where not-for-profit [inaudible]. So, basically, we came from university and then we organized ourselves into a not-for-profit. Next slide, please. Thank you.

So, we exist of member organizations ourselves. So, all our members represent a number of organizations themselves or a number of companies. So the founding members there, you can see [inaudible] the most known one. It's the Belgian Association of ISPs.

So, basically, all our members have an interest that we do a good job in managing the DotBE zone, so the access is as easy as possible and the price is as low as possible.

We also have the Federation of Web Builders there, [inaudible]. So all these organizations would like us to do a good job in having as less thresholds as possible to enter this domain name market. Next slide, please. I'll skip this one. Thank you.

Okay. So, just an idea. Over these 20 years, we have grown now with 35 employees. We have about 1.65 million domains under management for the moment. We also do DotBrussels and Dot [inaudible]. Our running rate of new registrations is about 20,000 a month. We have a model that only works with registrars, so we don't do direct registrations we have chosen for that. And we have an income of about $7 million per year.

Now, this already gives an idea, if we go to the next slide, just to give you an idea of how our update was. Next slide, please. These slides are not convenient.

So, we have three missions for ourselves and there I think this is already a big difference between even the not-for-profits among themselves because we, as a not-for-profit, we have our mission very narrowly defined in our bylaws and that makes a difference between I know some of our ccTLD colleagues have a mission that is very broad, so that allows them to do a lot more things than we do. So we have a mission that is very much focused on managing these domain names and that's it.

The two other parts that you see in our mission is making sure that wee contribute via the domain name markets to a good functioning Internet market or a good functioning Internet economy or digital society in Belgium. But everything has to be linked to the domain name management. And that's already a big difference within the group of not-for-profit itself. Next slide, please.

There you see our growth over the past years, and as you can see, it's a very, very steady growth and that is because we are a not-for-profit, not focused at all on volume. So we only grow with the market. We don't do any discounts. We don't do any promotions to boost sales. We just grow steadily. Our only focus is on delivering quality. And that's an advantage I think to our model. We don't get any subsidies from the government, so we are private not-for-profit. So the only income we have is from the domain name holders themselves.

This gives us a financial stable position, not focusing on [these draws] and only be able to focus on quality and security. So those are our main challenges.

The reason why our financial situation is quite stable is because, since 2012 on—so that's more than eight years ago. But only in 2012, in the telecom law, the legislator for [inaudible] that DotDE has to be managed by a not-for-profit. That was not the case before 2012. And by adding that requirement, they also added that we have to operate based on our costs, which is of course in order to make us more efficient. But in reality, all costs related to domain name management can trigger a price increase as well.

Basically, since that law exists, we increased our prices. That's what I mean by our financial support by the law that we have and that enables us to focus only on this quality and security. Next slide, please. Yeah. We can go to the next.

So, strategy. I'll skip this slide as well. Sorry. The values. I'll try to stick to my ten minutes.

So, the strategic objectives, as I said, no volume at all involved. So, operational excellence means that we want to use every dollar, every euro, we get from our domain name holder, that we spend it as wisely and as efficiently as possible. I think we owe that to the community. We owe that to our domain name holders. That is embedded in our DNA.

Then, what we do back for society is, first of all, cybersecurity. We make sure of course that our own systems are state-of-the-art secure, but we also invest a lot of time in trying to get our zone, the DotBE zone, as safe as possible. So we actively go out there looking for fraud or bad WHOIS data which we link usually to fraud. So we are very active in that.

Then, the third part is sustainability. These two things, these two other strategies, we try to do them in a sustainable way and there is, first of all, a lot of ecological part of it. But secondly, also, [CSR] projects and giving back to society.

That little profit that we have at the end of the road, because we try to be [inaudible], but we always have a little profit. That profit will return to the community in [CSR] projects. Next slide, now, because I think that's my conclusion. Yeah, we can skip this and then go to the conclusion. I think it's the last slide. Yeah. Oh, just one before. Yes, this one. Thank you.

So, the summary. For me, little times are challenges. Sometimes, I would like a bit more challenge, but I think in most cases, I feel so comfortable and gives such a comfortable [inaudible] to the

employees that we don't have to worry about this, contrary to some governments who are doing budget cuts and contrary to commercial partners that probably have to fight much more for each dollar they earn.

So we have the luxury of having or being able to focus on our mission and to be simple in our strategic execution. We don't have to make compromises versus customers. We can, let's say, implement our own rules in accordance with what we think that is best for the market.

We almost, as I said, have no political compromises to make. We only have our telecom [regulars] which is in charge of domain names that we have to of course keep in the loop and make sure that they agree with everything we do. We have a very good working relationship with them because we are very proactive in our communication to them.

Then, finally, also because we are not commercial, we don't have any [channel] conflicts with our registrars. And I know that some other registries do have those regularly. So we stick to the pure management of that DotBE zone, of the registry business. We have a good relationship with our registrars as well because they don't see any conflicts with us.

So, that's my summary and that's what I think of the advantages of the not-for-profit model. Back to you, Katrina.

KATRINA SATAKI: Thank you very much, Philip. Thanks. So now we move to our next panelists, Atsushi, DotJP. He will tell you more about their governance model. So, Atsushi, the floor is yours.

ATSUSHI ENDO: Thank you, Katrina. Good morning, good afternoon, and good evening to you all. My name is Atsushi Endo. I am from JPRS, DotJP ccTLD manager. Next slide, please. Yes.

So, I'm going to introduce the for-profit organization which runs the ccTLDs. I'd like to start with introducing JPRS. What is JPRS?

So, JPRS is Japan Registry Services company limited and we established on the end of 2000. We are the company [limited] by shares. So, you can see the shareholders are listed on lower of this slide. We are a for-profit company and unlisted, not listed on the stock exchange.

Some of you know that, in Japan, there is a GMO Internet who runs some TLDs and also the big registrars. They are the listed company in the Tokyo stock exchange, but we are not the listed company.

We are based in Tokyo. We have also the office in Osaka. And currently over 100 employees we have. Our annual revenue is around $40 million US dollars last year. You can see the shareholders, big company, giant company, like Hitachi or Sony. There they are shareholders. And also we have an insurance company, one of the biggest in Japan, or the telecos, NTT, KDDI. They are shareholders and they support us. It means that they contribute to stable Internet in

Japan. That's the reason why they invested. Also, we don't have any financial support from the government. We are 100% independent from that point of view. Next slide, please.

What currently JPRS does, original and currently still the main business is the ccTLD manager of DotJP. Also, we [are an] ICANN accredited register. We have around 400,000 domain names under management. We also have server certification authority. And also we are the gTLD registry and also backend provider for several brand TLDs. And we are a partner with the WIDE project. We run the M-root DNS server as well. That means that there are various ways that JPRS contributes to developing the domain name industries and also the Internet user. Next slide, please.

So, that is the brief introduction on JPRS. The reason why the for-profit company administers DotJP, we need to introduce the brief history of DotJP.

So, at this slide, it's very early era. Administered by volunteers from Academic Network Group. In 1986, Jon Postel delegated DotJP to Jun Murai. I think that most of you know he is one of the original ICANN Board of Directors.

We started the registration of DotJP, mainly it was 1989. It allows to the registration to the third level. So, it's ac.jp, co, go, or. Third level was introduced at that moment.

We are several years running by the real voluntary group after JNIC established, to carry out the administration of JP domain names.

Also [set out the] [inaudible]. In 1993, JNIC was reorganized as JPNIC. JPNIC is a membership organization, including ISP. So, in 1993 was the one moment moving to [era two]. So, next slide, please.

So, there are reasons moving to academic to non-profit organization. I'll highlight three points. So, due to the development of the Internet in the early 90s, there's [inaudible] running by voluntary administration group, mainly by academic people.

Also, in early 90s—1993—around that, commercial ISP emerged. At that moment, they needed to include them as a key partner. Also, financial reasons. A membership fee was introduced for more responsible administration. That is the reason from the voluntary group to non-profit. Next slide, please. Thank you.

Then, non-profit organization runs the DotJP for several years. In 1995, this is prior to the dot-com, dot-net introduced fees, that JP introduced application fees. In 1997, the official government [recommendation], JPNIC was received at the moment. And also we have certain rules for registration, also DRP, right after UDRP was introduced.

At that moment, DotJP, that number was around 100,000 and the year 2000 they decided to move to the for-profit company to administrate the DotJP and establish the JPRS. There are several reasons. Next slide, please. Thank you.

In late 90s, domain name registration go into big business. So, dot-com and dot-net has got the large registration in Japan as well. So,

DotJP, many people think that we need to have [inaudible] competitive domain names. So, quick decision is needed.

Also, currently as well and at that moment, registry system that DNS infrastructure was running by themselves, so we do have a large-scale, long-term investment. But [from the] reason the regulation for a non-profit in Japan, they don't have flexibility for a multi-year budget. This is the second reason.

The third one is the big point in the Japanese region. Growth of domain names makes the income of JPNIC in that [moment], grew dramatically.

So, non-profit doesn't allow to do the kind of profit-making business around 2000 in Japan, so we need to change non-profit to for-profit. That's the reason. Next slide, please.

After establishment of JPRS, JPRS introduced the General Use JP. It means it allowed registration of second level. And the year 2002 was kind of the relationship between the government or [ICANN that happened].

After that, the year 2003, we exceeded to registration of 500,000. And currently we have 1.6 million. Next slide, please.

This is the framework. So, JPRS has a contract with ICANN ccTLD [inaudible] agreement, also having a relationship between JPNIC who grew from JPNIC to JPRS and also has a relationship between government.

And the telecommunication business role was amended in 2016 and DNS operator is under historical low. Next slide, please. This is the last one.

So, the reason why the for-profit companies administration continues, there's three points. In Japan, the Japanese government basically supports private sector driven Internet companies. That's the big part. The second one is the government and JPNIC endorse the activities of us as the ccTLD manager, and they published the annual assessment report just last week they reported. You can see the [inaudible].

Also, we do various things to serving for the interest of the community of Japan, like advisory committee or the registrar meeting, like that.

The next slide is reference. Thank you for listening. Thanks.

KATRINA SATAKI: Thank you very much, Atsushi. Thank you. That was very interesting on the reasons why you decided to move for this for-profit model. So, next one is Jorge. He will talk about this academic institution as a ccTLD manager. So, while Jorge is taking over the screen—here it is. You might consider running the presentation. It's going to be easier for you. So, the floor is yours. You ready?

JORGE AZZARIO: Okay. Thank you, Katrina. Are you able to see my screen now?

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KATRINA SATAKI: Yes, we see your screen but we see all the slides. So, if you run the presentation, it should work. Excellent. Thank you.

JORGE AZZARIO: Okay, great. Thank you very much. Well, NIC Mexico, besides being a ccTLD, we also do assigning IP addresses to all entities established in Mexico. This we've been doing for [inaudible] years. It started back in late 80s when Jon Postel actually gave the [inaudible] this responsibility. And now it's part of the university, but as a related party. It has built over 100 employees. It's highly focused on operational excellence, security, and innovation. We're also very committed to an open, secure, and neutral Internet, very accessible for everyone.

Our strategic pillars bring this balance and allows us to have a focus on each of these four pillars. One being obviously the transformation of our internal ecosystem, focusing also on infrastructure strengthening, research and innovation on the Internet landscape, and obviously engagement in the multi-stakeholder model in our country.

Monterrey [inaudible] about it. It was found back in 1943. Private, non-profit, independent institution with neither a political or religious affiliations. It's supported by civil associations headed by outstanding leaders from all over the country. We're very committed to highest quality in higher education. The board members meet annually and they define all the long-term and short-term goals for university.

Its purpose is very clear. It's transforming lives through education. And it is known by different names. There's a very long name which some of you might have heard. It's Institute of Technology Com. It is [inaudible] Monterrey Institute of Technology for Higher Education, all the way down to Monterrey Tech, which is mostly what international students always refer to us.

A little bit about [inaudible] some events and milestones. Like I said, it was founded back in 1943. It was the first Internet connection in Mexico in 1988. In 1989, it became like an inside IT department of the university. Then, in 2001, we created an advisory committee, an independent advisory committee. And the university decided to create a separate organization. As I said, like a related party. By that time, the Monterrey Tech was highly focused on manufacturing the innovation and received some awards of the United Nations International Education Forum.

Through the years, up to 2008, we created the registry/registrar model implementation in Mexico. So, we [made] Mexico stop supporting directly to registrants. So that was done through the registrant model. We [inaudible] have over 200 registrars. And by 2008, we achieved around 250,000 DotMX domain names.

So, by that time, the Monterrey Tech was in place number 387 in the world university rankings. In 2017, we created also a separate related party for the commercial focuses. So, NIC Mexico does some promotions and marketing support for the registrars model and that has allowed us to keep growing. Ten years after this, 250,000 domain

name mark, we reached the one million DotMX domains. By 2020, now, the Monterrey Tech has moved on to place 155 in the World University Rankings, being ranked as the number one private university in Mexico and number 28 private university in the world.

So, we have this long-term vision for 2030 which is leadership innovation and entrepreneurship for human flourishing, and this is the background of [inaudible].

So, a little of our government model. Monterrey Tech has its Board of Trustees. They have an executive team. Some of the members of the executive team, along with some members of the Board of Trustees Forum, NIC Mexico's Board, which in turn have our executive team and obviously the registry DotMX, and a separate business unit related to IP address assignments. We also have, like I said, an advisory committee. So our internal governance model.

Finally, this is the framework for what we believe are benefits. Some of the benefits we consider very important is our ability to establish strategic long-term plans and goals, obviously. This allows us also to balance our focus on the four pillars that I just mentioned a few minutes ago.

Also, focus on priorities and not to subordinate these goals to short-term goals of other stakeholders. So our ability to also have our budget and our financial autonomy has allowed us to ensure operational sustainability, regardless of economical [inaudible] events for [inaudible] years.

Our technical innovation and freedom is also very related to the innovation value stated by Tecnológico Monterrey and achieved also through budget autonomy.

This also all together gives us a basis for a natural role that we are privileged in both our actions and planning and goals as well. So, this natural position is for us very important to keep a better Internet when economic or political interest might skew an initiative or policy.

We are also very community oriented. We are focused and able to invest on research on community development and develop also opensource tools for our community, locally and obviously regional.

Challenges. Well, our main challenges being close to a top university are the dynamics between the education sector and the Internet sector.

There's also social responsibility alignment, regardless that our operation and our goals are also social responsibility by itself. But we focus more on developing, for example, Internet abilities in young people and also not only, for example, digital education.

Private investments are not allowed here. We also compete against top gTLDs. So, Mexico being so close to the United States, more than half—a little over one half—of all domains registered in Mexico are dot-com. So maybe that's not something common elsewhere in other countries.

We also have challenges encouraging a stable multi-stakeholder model in Mexico, and here the obvious challenge is for new members

to understand that this model does not mean that all stakeholders are responsible for each stakeholder's role. This is more or less what we've been driving with our governance model in Mexico.

KATRINA SATAKI: Thank you very much, Jorge. Thank you very much. Very interesting challenges and benefits. Before we move to questions, we have Angela who will represent the government-run ccTLD. So, Angela, the floor is yours.

ANGELA MATLAPENG: Thank you, Katrina. Good morning, good afternoon, and good evening to everyone. Thank you, all, for joining in today once again. I hope that everyone is safe in the different countries. I am quite shaken by the cold from Botswana this morning, so I might shake a bit.

Anyway, my name is Angela Matlapeng from Botswana. I am an [inaudible] of the AFTLD organization. However, I will be presenting this morning as the registry administrator for the DotBW ccTLD. So, I will look at the government model. Can I please go to the next slide?

This is just a brief agenda of what to look forward to in this discussion. I'll give you a brief introduction and history of the governance models across the years in the ccTLD itself. We will also go into a detailed discussion about the pros and cons of the different models. And I will give a summary of the lessons learned over the years. If I could go to the next slide, please. Next one, please. Thank you.

The DotBW ccTLD is managed by an organization called Botswana Communication Regulatory Authority which was established under the Ministry of Transparent Communications with the sole purpose of regulation of Internet and [inaudible] broadcasting and telecommunications.

The organization is independent. It, however, has seven board members that are especially elected by the minister of the ministry that I just mentioned. We also have an [inaudible] community which in turn responds to the board members. Then the board members also have to give annual reports and strategies and the budget to the ministry for approval.

Currently, the DotBW domain has about 9,286 domains. We have 66 registrars of which 11 are [residing] outside the country. We have implemented the DNS security [inaudible]. We have about four zones. We have [co.bw] [inaudible].

We also operate on a 3R model where we deal directly with the registrars and they deal with the registrants. The ccTLD initially was established by an academic institution around the late 90s and it was then moved to one of the local PTOs because there was not enough capacity within the university and actually the PTO where the registry had to move onto was the one supporting the university with technical support.

So, later in the years, the registry was transferred to Botswana Telecommunications Corporation, but in 2009, the government decided that the registry should be regulated by BOCRA based on the

[inaudible] which is the Communications Regulatory Authority Act. That just aims at protecting the consumer for the four sectors of regulations that I mentioned earlier.

So, we moved the registry from the private PTO because there was sort of conflict of interest, to say if one of the PTOs was also a registrar, there might be less transparency or maybe [inaudible] when it comes to the market.

So, the redelegation process started in 2012 and it was completed in 2013. And since 2019, [inaudible] a couple of years since the redelegation started, this was also because of shortage of skills and capacity to carry on such [inaudible] of the registry. So, if I can go to the next slide, please.

So, this is just a graph to show the number of domains that we've had over the years across the different models. We see that in 2012 when BOCRA took over, there were already above 2000 names by the text base database that was being run. So this number is high because those registrars [inaudible] into the new registry software and then we slowly experienced growth over the years, and now, like I had said, we [expanded] over 9000 domains.

We also see that, in 2020, we were only two months into the new financial year and already this is sitting at over 63% of the previous domains registered from the last year. So we are anticipating growth for this year as well. May we go to the next slide, please? Next, please. Thank you.

So, how has the DotBW registry functioned across the government model? Firstly, I'd like to say that we have several legislative frameworks that are set up in the country that speak to ICT and policies around national ICT. So these policies and legislative frameworks also recognized the CcTLD which is a great thing because it also shows that it's also prioritized within the country itself.

As I mentioned, moving away from the previous models was because we wanted to achieve a neutral model to say that BOCRA would, as a regulator, have sort of a bottom-up approach where we have multi-stakeholders being involved in things like policy development and such a model would then give us autonomy as a country.

We have policies that are set up for the ccTLD which are now [inaudible] from the regulation from the CRA Act. It means that with the CRA Act, we can also make sure that users of the registry are protected as now [inaudible] coming to this consumer protection in that the CRA Act is trying to uphold.

We also have stable funding. Since I did say that the authorities are independent organizations and most of the funds are collected from levies from the different PTOs that are licensed from accreditations from different service fees and this is where the budget of the organization is [inaudible], from these funds that come from different services.

We also have a trust within the local Internet community. There's trust and transparency, since I would say that as decisions are made around Internet governance and all those things, we have a local community

that is engaged. We used to have an advisory committee, even though it kind of stopped functioning but we used to have an advisory committee which would make sure they go out and do some [inaudible] research in terms of what is needed for the registry to operate and how to catch up with the market and changing technologies.

So, as the year ends, we also publish what we have done in the annual report to the public and we also [begin] to see that has been done by their regulator in terms of decisions that were made or [inaudible] policies that were amended. So anything is kind of transparent.

This is also one of the strategic goals within the organization to say that we need to engage the stakeholders and everything needs to be transparent to the public.

So, these last points are just additional to say that the physical presence of the ccTLD manager in the country makes it easier to be timely and cost-effective when it comes to decisions, especially that we are aware of the domestic laws that may affect the ccTLD [inaudible] a company from outside that needs to take care of the ccTLD management, it may not necessarily be aware of the [inaudible] that affect the country.

We are also proactive at the [inaudible] in terms of memberships in the different organizations that speak to the ccTLD and the different communities [at ICANN], so this makes us even more proactive and agile to activities that may involve the change of policies of adoption of new technologies and such. If I may go to the next slide, please.

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So, these are just some of the key factors that speak to the growth and the success of the ccTLD and these are stipulated within our strategy. I had already mentioned about stakeholder engagement, that we want to make sure that everything is done pertaining certain decisions, they are very affecting the local community. They need to be done in a manner that is public and everyone is involved. Next slide, please.

So, the downside of having a government model is that, although we have a stable funding, because we don't have the ccTLD as the only business that the regulator is doing, some funds may be restricted because they have to be cut across different departments, so this can maybe withhold our ccTLD activities because of budget constraints.

I did mention that because of different businesses of the authority, it means that the ccTLD may not be [inaudible] high priority. Also, our activities of the ccTLD may not be necessarily long term as they are based independent on the five-year strategy which is approved by the ministry. Such a model can easily be affected by political and public administrative changes. So, if I may continue to the next slide, please. Next slide, please.

So, in summary, we have learned that it's very crucial no matter what model that you're running, it's very crucial to have the participation of your local Internet community as this reflects a multi-stakeholder engagement.

We have also realized that it's important to have national legislation that speaks to the ccTLD as this may give it more priority within their country. And government should also support managers to ensure a

sustainable ccTLD. Although we don't get funds directly from the government, we might get funds in terms of loans with stipulated times and plans of payment [inaudible] for different projects.

So, I think that government should do the same for all the models regardless of which one it's being run in a different country.

So, that's all I have for today. Thank you.

KATRINA SATAKI: Thank you very much, Angela. It's another interesting summary and analysis of yet another model. So, with that, we have heard all our four panelists, from each advocate their on model. We're not here to convince you to change or anything. We're just here to learn from each other and to come up with some knowledge of how we can serve our local Internet communities.

So, with that, I'll give floor to Nick who will handle Q&A before we go to break and do a more thorough analysis and discussion after the break. Nick, the floor is yours.

NICK WENBAN-SMITH: Thank you very much, Katrina, and Good morning, good afternoon, and good evening, goodnight, good middle of the day then to everybody. Thank you very much to all the panelists. I think it's been a really interesting discussion, the diversity of which we always knew was there. It's very clear now. So, thank you, everybody. We've got two hands up. We've got Martin [inaudible] and then Jonathan Robinson,

and previously we had a question in the Q&A pod from Calvin. Are those hands still up? Well, let's go to Calvin's question in the Q&A pod first, and then if anyone has their hands up to actually ask a question out loud, then please do so.

OZAN SAHIN: Hi, Nick. This is Ozan helping with the remote participation. Let me read out the question that we received from Calvin in the Q&A pod. So, the question from Calvin is, "Can you mention more about your open source tools and projects?" And this question is for Jorge.

JORGE AZZARIO: Sure. We've done actually three opensource solutions. one is an implementation for [inaudible] 64 and [six] standards that allow communication between both protocols, IP versions 4 and 6, and it facilitates the transition mechanisms that are completely transparent to the end user.

We did a second framework. It's called Red Dog. It's a framework in which the developers can build [RPAP] servers quickly, saving time and resources [inaudible] RDAP standards completely in java and it's a this tribute to developers and [inaudible] for an opensource format obviously. And they can easily adjust it to the needs.

The third one we did with LACNIC. It's an implementation of the [inaudible] relaying party. That is an RPKI validator and also an RTR server which are used to ensure Internet routing to the RPKI scheme. So it's also an opensource project and supported now in a large

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number of platforms based on [inaudible] and [BSB] operating systems.

NICK WENBAN-SMITH: Brilliant. Thank you. Calvin, does that answer your question? We have another question in the Q&A pod. Do you want to read that out again, Ozan?

OZAN SAHIN: Thank you, Nick. So, the other question came from Joelle in Caribbean and directed to Angela. Angela mentioned neutral aspect despite it being a governmental model. How do you [inaudible] on take-down of domains?

And in the follow-up, especially when the government feels that a website domain is sharing information that is against them.

ANGELA MATLAPENG: Thank you for the question. We have specific policy that speaks to acceptable use of domains on the DotBW ccTLD. So, first we can't just take down a domain because we are getting an instruction from the government. We need to go down and drill to actually get the reasons that indeed we need to take this domain down. And if there are any disputes, it goes back to the dispute resolution policy as well. So, we have policy [inaudible] for that.

NICK WENBAN-SMITH: So, what I'm hearing is that despite being a governmental organization, you don't [inaudible] any political pressure in terms of other parts of the government requesting you to do things because there are structures and strict policies in places to provide accountability and protection to the registry.

ANGELA MATLAPENG: Correct.

NICK WENBAN-SMITH: Thank you. I see Joelle's follow-up. Other panelists could also share. So, if any other panelists want to talk about how they would respond to government take-down requests or what protections there are in terms of the registry governance mechanism, then now would be a brilliant opportunity. You've got a couple of minutes, in the absence of any other questions.

PHILIP DUBOIS: Any specific order you want, Nick?

NICK WENBAN-SMITH: Philip, why don't you go first? There you go.

PHILIP DUBOIS: Okay, thank you. Just briefly. Of course, we cooperate very closely with our government, but on specific topics, the only really cooperation agreement we have is on fake website, because that's

one thing usually where content verification is required and that is done by our Ministry of Economy. They have the authority to do that. So, anything else, we are responsible and we decide if we take down a domain or not. That's very short.

NICK WENBAN-SMITH: Thank you. And Endo, from a private company point of view as regards to the government and the good governance arrangements around take-downs. Have you got anything you can share?

ATSUSHI ENDO: Thank you, Nick. We have a very good cooperation with the government but it's up to us or the business who are doing an Internet related business. So, we have a good relationship with the government. Right now, the government is not able to force something, but we have as a DNS operator, we have under the law. But for the registry itself, we are not [inaudible] for something to [ask like that]. But to do the Internet more better, we are doing a lot of efforts, collaborate with the related organization or [end user] organization, also the government. Thanks.

NICK WENBAN-SMITH: Thank you. And finally, Jorge.

JORGE AZZARIO: Well, we've also been collaborating with our government. In Mexico, we have a division of executive, legislative, and judicial powers

[inaudible] from take-down, we did a judicial order. So, that is more or less what they do. Obviously, there is a process, investigations, and things like that that we've done with different government entities. It's not very often but we've done that very closely with them.

NICK WENBAN-SMITH: Thank you. Well, I think we've nearly come to the end of the session. So, thank you very much to all of the panelists. Thank you for all of the questions. Just on that final point, I think regardless of the actual legal structure—and I think we can all agree that rule of law is really important and applies regardless of what sort of structure you choose and that's obviously a good part of good governance. I'll hand it back over to Katrina for any final thoughts and I think we've got a deserved coffee break.

KATRINA SATAKI: Absolutely. Thank you very much, Nick. Thanks a lot to our panelists. They will be back after our 15-minute break. We already started looking into some issues on how different models can address those issues. We will continue that after the break. We will reconvene in 15 minutes. See you. Bye.

So, the recording is back on, so we will continue with part two of our session. Just a very short reap of the previous session, for those who maybe missed part of it or [inaudible] one.

We started by looking at some statistical data regarding transfers since 2003. There are approximately three or four transfers yearly

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taking place, and if you look at numbers, then apparently companies are being affected the most. Those ccTLDs are run by for-profit companies. And the safest ones are not-for-profit organizations. Those are [inaudible] in terms of the data that we looked at.

Then we also had presentations from four panelists, each representing one governance model. And took a couple of questions just to warm up.

But now part two. We will try to discuss more. And to kickstart the discussion, we will ask Pablo Rodriguez from DotBR to give a very brief intro to some of the things that he has discovered during his research.

The idea is that there can be issues that ccTLD managers have to deal with. That's regardless of the model. Any model can be affected. But of course each model could respond differently to those issues.

I won't talk much about all those issues that Pablo has identified. I will give the floor to him and he will briefly introduce and start the discussion. So, Pablo, are you back?

PABLO RODRIGUEZ: Hello, and thank you, Katrina. Good morning, good evening, good afternoon to all. We're conducting research on the factors that may possibly promote or impede the adoption of technology, specifically speaking about DNSSEC. I came to realize that ccTLD government models mediate the function.

So, I devised four questions in order to reach and explore how these different models work in one way or the other and we would like to explore what are those characteristics. So, that said, Nick please help us out with the first question.

NICK WENBAN-SMITH: Okay. So, the first question here, do you have control over your own budget? So, I'll turn my video on.

PABLO RODRIGUEZ: I guess one way that we could do it, and Jorge made some references to his budget and I would like to know panelists and others in our audience that would like to share how they feel about this.

NICK WENBAN-SMITH: So, we should start with the panelists then and perhaps just go around perhaps in the same order that we've spoken before. So, Philip first, and then move on to Atsushi and then Jorge and then Angela, just briefly.

PHILIP DUBOIS: Okay. Thank you, Nick. So, yes, we have 100% control over the budget, as I mentioned. We are basically covered by the law. If our costs increase, then we can do a price increase. We are still at a very low level in terms of wholesale price. We are at four euros per year for a domain name. And [inaudible] the law that was applied in 2012. Before that law, we only applied price decreases, and since that law,

we have increased our price point. We have seen no impact at all on the number of registrations, meaning that we are still on the price [inaudible] parts of the [inaudible].

NICK WENBAN-SMITH: Thank you. Atsushi, is he around?

ATSUSHI ENDO: Yes. Thank you, Nick. We have 100% [control of] ourselves. Ourselves means that the general meetings elect the Board of Directors. That means, in that sense, that board of directors 100% controls the company. So, chairperson president, who is also obviously on the board. He finally decides the budget and also [run the] company.

NICK WENBAN-SMITH: Company sets its own budget. Perfect.

ATSUSHI ENDO: Yes.

NICK WENBAN-SMITH: And Jorge?

JORGE AZZARIO: Well, yes, regarding income, for example, we don't move the price. It's been placed in US dollars for quite some time. And going through expenses, well being a part of a university, we have all these board

approvals we need to go through obviously. Very focused on infrastructure and technology. We have spread our servers globally and that has [this] focus of 100% availability which is one of our main concerns. And obviously there are other budget going to social responsibility programs and research obviously as well.

NICK WENBAN-SMITH: I suppose in terms of the technological investments though, as a public university institution, do you have difficulties with capital investment as a—

JORGE AZZARIO: No, Nick, we are a private university.

NICK WENBAN-SMITH: Oh, okay.

JORGE AZZRAIO: Non-profit as well, but private, so that allows us to control very well our budget.

NICK WENBAN-SMITH: Thank you. Next up, Angela.

ANGELA MATLAPENG: Thank you so much. I'd say 95% yes and 95% no because we do [inaudible] members of the organization, they sit down and draw the

budget which is then approved by the board of directors, and once they have approved it, this also goes to be submitted to the minister of transparent communications for approval as well.

Then, the allocated funds remain after the financial year. [inaudible] that funds should be taken to the universal service and excess fund. So, yeah, that's the setup that we have.

NICK WENBAN-SMITH: Perfect. Thank you. Pablo, do you want to go further on this question of budget and authorization, or do you want to move on? How do you want to play this?

PABLO RODRIGUEZ: I believe that we can move on to the next questions. So again, one of the things that each one of these governing models mediate is the function and how agile is your model regarding the adoption of new technology. So once again, in the experience of the panelists, what would that be? How agile is your model?

PHILIP DU BOIS: Okay, I'll head first.

NICK WENBAN-SMITH: Let's go in the same order just to keep things simple, I think. Is that okay?

PHILIP DU BOIS: Yeah. Okay. Thanks, Nick. So in our particular case, as I said, our mission is quite restricted and focused on the domain name management, so every new technology that can be linked to domain names and to the management of domain names, there is no issue to adopt this. We can experiment with it and do research on it.

If we can't see that link—and that's where other models probably have more openness or more possibilities for us, then [inaudible]. So that is sort of limitation for us, but that is mainly due to the restriction in our mission and not the fact that we're not-for-profit.

NICK WENBAN-SMITH: Okay. This is really interesting because from my perspective, one of the important elements of a good methodology of governance, a good governance system, is to be responsive to technology and market developments. So there's a sort of tension between having a clear remit and then having enough flexibility to respond and invest and to do all the things that you need to do, because this is obviously technology and it moves very quickly.

In terms of your decision making structures, are those agile in terms of the technology, Philip?

PHILIP DU BOIS: Yes. But I see what you're heading to, and we have made as an organization a clear choice today, the choice of our members, if there would be a disruptive technology that would be an alternative for domain names, for DNS and where we don't see a role for us anymore

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because it's not linked to that domain name technology, and if there's no reason for us to exist anymore, then we would just dissolve the organization. So we are not looking for an opportunity to stay alive, let's say. If our role is played out as domain name manager, then we just stop being around.

NICK WENBAN-SMITH: Okay. Hold that thought. We'll move to Atsushi then. Thank you.

ATSUSHI ENDO: Thank you, Nick. So new technology means that related to the domain name or the DNS. I think that the for-profit company is very agile and JPRS doing in the very early stage introducing IDNs or the IPv6 ready registration, all like that. And the reason why we move to the nonprofit [to] for profit is to be agile and make kind of system investment or like that. So I think that in that sense, regarding DNS or domain name registry technology, the answer is yes. But compared to the other Internet-related or information technology-related technology, we a little bit stick to the DNS or the domain names. So we need to be more agile in that sense, like AI and those things. But in the context of DNS, I think that from my experience, we are very much agile.

NICK WENBAN-SMITH: As a private company, do you have access to funding opportunities which the other models wouldn't have?

ATSUSHI ENDO: I think that we have, for these 20 years, we mainly focused on the stable management so that we don't have experience like the kind of to do the new business and asking the kind of [inaudible] things. So yeah, we have [inaudible] but we don't have experience like that at this point.

NICK WENBAN-SMITH: Because you could issue more shares, have more shareholders and get more capital income and working capital in those sorts of ways that a government department or a not-for-profit wouldn't have access to those sorts of avenues, right?

ATSUSHI ENDO: Yes. So what we have done is our core business is to run DotJP, so we very much stick to that kind of [inaudible] asked to be more domain name-oriented. But I don't know in the future, but over the last 20 years, we have been like that.

NICK WENBAN-SMITH: Thank you. Go ahead, Jorge.

JORGE AZZARIO: Thank you, Nick. Well, yes, I could say we have a very agile-oriented organization. Towards infrastructure, for example, all this hyper convergent infrastructure and technologies are very well adopted, and regarding also software development for example, we use all these agile and scrum methodologies as well, but also, the adoption of

platform as a service or infrastructure as a service we used for cybersecurity, denial of service protections.

So yes, I think being in our model, a university, very well oriented towards innovation and research since a bit of it is DNA to us.

NICK WENBAN-SMITH: I have some experience with academics and what I found is sometimes they don't all agree with each other, and sometimes it's like the decision making is not necessarily fast in the academic community. There's always sort of perhaps the first thing that the academics would do is say we must have more research before we make the decision. I just wonder whether that has an impact on the agile model and technology adoption.

JORGE AZZARIO: Yes. And one of the things I think Tecnológico Monterrey did very well was that very early, it separated NIC Mexico from its educational model. So they understood very well that the needs and the focus on technology would be different and the speed of decisions would also require more specialized IT personnel for example. So I think they've respected that and it has worked very well for us for many years.

NICK WENBAN-SMITH: This is obviously in the context of governance models. So you're saying that actually, although it's within the university, NICMX actually

is sort of slightly separate from the academic institution in terms of its governance?

JORGE AZZARIO: Correct. It's a model that worked for us. I'm sure other universities either private or public might have a different governance model. But in our case, I think it's been very successful for everyone.

NICK WENBAN-SMITH: Thank you. Angela.

ANGELA MATLAPENG: Thank you, Nick. Yeah, I'd say one of the board's functions is to adjust to the laws, policies or changes in their marketing that might affect the regulated sector, and they can in turn alter their strategic plans. And I'd say that one of the ways that the authority has taken initiative is to form memorandums of understanding with academia, research centers, innovation hubs that may tail it in the adoption of such technologies as they come.

However, one setback that I'd mention right now is that because we run on the communication regulatory authority act which is done by parliament, if there's any need to change anything in it, it might take a while because it's directly from the parliament. So it might not always be necessarily aligned with the new technologies.

However, we have policies that can be developed to augment these acts or the laws. So yeah, I should think we are kind of agile to the adaption of new technologies based on these initiatives. Thank you.

NICK WENBAN-SMITH: Wow. Sorry, just my perspective, in the United Kingdom, we've had a lot of disruption with the whole Brexit stuff. And to get any sort of legislative change in the past five years, especially if it's not a very high priority nationally, is almost impossible. So I think if I needed sort of government approvals for some things, I'd be quite nervous maybe in a fastmoving technology environment. But you seem pretty comfortable. I guess maybe you've got better politicians than we have.

ANGELA MATLAPENG: [I think so.] I think because also from BOCRA side we are very actively involved in for example the GAC and the ccNSO and these other organizations. We kind of push for the changes in a proactive manner to say, listen, this is where the world is going so you might just need to be prepared to do some key changes. And if that takes a while, then policies would augment for these changes in the meanwhile.

NICK WENBAN-SMITH: Okay. Great. I understand. So you obviously work very hard with your regulator and government people to make sure there's good communication and there's no surprises so that if you need something from them, they know that it's coming and it can be planned in, I guess.

ANGELA MATLAPENG: Yeah, that's very correct.

NICK WENBAN-SMITH: Okay. Thank you. Pablo, next question, then.

PABLO RODRIGUEZ: Next slide, please. Thank you. So here's the other question, does your model have policies that prevent you from accepting donations? So once again, we will see how each of these governing models will react to each one of them. I believe, Nick, that you began a discussion going in that direction with Atsushi. Perhaps we can elaborate a little bit more on that. Thank you.

NICK WENBAN-SMITH: Yeah. Very interesting, accepting donations. I suppose my point with Atsushi was as a private company, the company can issue more shares and have more shareholders and generate a bigger capital base in terms of investment. But donations is different, right? I suppose I'd be interested, in terms of the question, can you accept donations? And actually in practice, who's going to give you money? Because even if you could accept it, would it come without conditions? And have you ever accepted third-party money and where there any influence kind of conditions required? I'd be interested in that as well. Philip first.

PHILIP DU BOIS: Thank you, Nick. That's a very interesting question and I never even thought about it. We definitely don't have policies that prevent us from accepting it, but as you mentioned, it never happened so far. I've been here for ten years, it's never happened that someone offered us money. And then in terms of—so we don't have policies, but we are, as an organization, very non-willing to accept subsidies from the government even if we would be entitled to, so we want to keep our neutrality. So I think we would also be very reluctant to accept money from whomever, especially because you say there might be some conditions attached to it and we don't want to endanger our neutrality. But as I said, it's never presented itself during the last ten years, and I'm not aware before my time either.

NICK WENBAN-SMITH: So, are you saying that as a consequence of your good governance, you haven't needed to accept money? Financially, you've been independent, so you haven't needed to?

PHILIP DU BOIS: Yeah, I think most people that know us know that we are a wealthy organization and registries, if they are managed well, usually you don't have a financial issue. So this would be very strange, if somebody would like to give us money.

NICK WENBAN-SMITH: And in terms of the COVID situation, certainly our government has financial support for businesses where people cannot work. Have you not been tempted to take advantage of any of those sorts of schemes?

PHILIP DU BOIS: Certainly not. When we look at our business, and I guess it's for many amongst us, our business went up, we see our new registrations going up steeply while we're in a very mature market and we almost saw no growth, the last few months have been incredible, and also in renewal rate, people tend to stick to their domain names for the moment. So we just continued working, and I would certainly not apply for any government aid.

NICK WENBAN-SMITH: Thank you. Yeah, we've had a similar sort of debate internally, and even when we could technically have taken government subsidies, we have made a very conscious strategic decision to definitely not do that. Atsushi, next up for you in terms of donations.

ATSUSHI ENDO: Thank you. We don't have a policy that prevents accepting donations, but we don't have any experience with receiving donations from third party, including the government or any other entities. So for-profit [share holding] company, it's basically [inaudible] to raise the funds [to add shares or asking back] like that. And we like to have 100% independence from anyone else. That's the reason why we don't have experience with receiving donations. Thank you.

NICK WENBAN-SMITH: Yeah. Thank you. Obviously, as a private company, now, I would just look at this very simplistically perhaps, but the objective of the company is to generate profit because it's a for-profit for the shareholders. So, I guess almost the opposite question is, are you under pressure not so much to accept donations but to generate more profit to create dividends for your shareholders? Isn't that fundamentally the duty of the company's directors?

ATSUSHI ENDO: There's a pressure, but fortunately, we're growing and growing from a financial viewpoint, so we're going to be facing very much hard pressure from the shareholders. [inaudible] that situation. Thank you.

NICK WENBAN-SMITH: Thank you. Very interesting. It's a very interesting sort of distinction between the different types of structures that people have chosen. And last but not least, of course, Angela.

ANGELA MATLAPENG: Thank you, Nick. Yeah, our [inaudible] stipulates that the authority can accept donations, grants, endorsement or any form of contribution from any source except for its regulated entities. So we do have that room for donations, but we haven't really had any for a long time.

In terms of if the authority needed funds for a specific project, the national assembly can give us a loan, but it has to give us an outlined t

erm of payment and duration of that payment. So it's just in form of a loan and then it has to go back to the national assembly. Thank you.

NICK WENBAN-SMITH: Thank you. So yeah, as you say, technically you can't really accept donations, it has to be in the form of a properly documented loan with repayment terms and that seems a much more transparent methodology. I've got a comment here from Wafa in terms of the Tunisian situation that actually, to accept a donation, you need to have association status and that then has consequences in terms of transparency, in terms of financial audit and those sorts of things that might be of concern when it comes to sort of donations without any formal position, whether there might be some sort of conditions or attachments. I suppose the point is, does it have an impact on the integrity on the registry in terms of its neutrality? And whether it's making decisions properly in the interest of its whole community rather than from the person making the donation. It sounds like that's not an issue, but partly because of the nature of the registries and the growth of the registries. Jorge, did I forget to ask you on this question?

JORGE AZZARIO: Yes, Nick, but quickly, no, as a university—well, first of all NIC Mexico has a very healthy cashflow, so that is why we even have some resources to invest in innovation. But in the university side, obviously in Mexico at least, the Monterrey Tech, its resources come from 70% tuition and only close to 30% are of donations.

There are two types of donations. One is fiscal deductible, and those donations do not carry any conditions. So those are the donations we typically as a university can receive. Going back to NIC Mexico, we haven't been needing them. And we focus strongly on neutrality, so yes, that's more or less.

NICK WENBAN-SMITH: It's very interesting, especially in the education sector where they actively solicit donations and financial support and alumni, try to have a trust fund and that sort of thing. You're never going to be the NICMX Sponsored by Google or whoever in terms of naming rights.

ATSUSHI ENDO: Correct.

NICK WENBAN-SMITH: Not going to have a stadium named after your sponsor or something. Okay, thank you. I think we should move on to the next question now.

PABLO RODRIGUEZ: Thank you, Nick. Before moving on with the discussion on the fourth question, I would like to contribute that as a private company who also is doing relatively well and doesn't need help from anyone, if we were to conduct business with a company that would want us to offer a service and say "I'll give you this portion of the service and I will charge you for this other portion," we could if we wanted to engage in that type of relationship. However, I know that for example in

Puerto Rico, the government, if it was to engage in a purchase, for example with Microsoft and they were to say "I will give you this many services and charge you for only this portion of it," they could not do it. It is illegal to do it for the reasons that you mentioned. So you were spot on, Nick, when you said that you have to be very clear, you have to ensure that there is no type of influence or anything illegal taking place.

That said, moving on to the final question, in your experience, is your model affected by changes in government administration? Meaning that with each change of government, is your ccTLD affected by that? Does your crew of people change along with the government? What do our panelists have to say about that? Thank you.

NICK WENBAN-SMITH: It's a very interesting question. Just to keep people on their toes, I will actually change the order for the questions to be asked. So I think this is most appropriate—because I understand [inaudible] to be the last person on the panel just because of the order, but I think Angela, perhaps you should answer this question first because as a governmental department, perhaps this is the most pertinent question for you.

ANGELA MATLAPENG: Yes. Thank you, Nick. I would say that, of course, if there's any government, administration change, it would definitely affect the ccTLD. For instance, if there's a different minister appointed of which

we report to, they might have a new set of goals and maybe set of practices and ideas that may not necessarily support the way we've been doing things. And should the government itself change, perhaps they are no longer autonomous, it means that if there's an authoritative actor who doesn't believe in the interaction of multiple players [inaudible] in policy development, this could also affect the ccTLD.

Our act also says that the minister shall revoke any decision of the authority that appears that it's lack of national security or with relations to a foreign government. So that means if there are sanctions to different countries, this might override policy to say maybe different countries won't be eligible for the registration of domain names. So yeah, my answer is that I do believe that such changes can greatly affect the activities of the ccTLD.

NICK WENBAN-SMITH: It's very interesting, isn't it? Because in your introduction, you made considerable emphasis on sort of the multi-stakeholder nature of the way that you operate. Obviously, it's a governmental organization. I think we all understand governments are part of the stakeholder community. But they're not the only stakeholder. And in terms of a good governance methodology, sort of consensus and participatory processes are seen as being very important, certainly within the ICANN model and in terms of multi-stakeholder participation and things, and obviously, the undue influence of government, particularly governments which change and perhaps there's then political

pressure on—maybe the government doesn't like to be criticized and puts pressure on its local Internet community to restrict freedom of expression. Is that something that you would have some sort of anxiety in relation to?

ANGELA MATLAPENG: Most definitely, but based on the history of how things have been run in the country, I think we would survive that because really, the multiple players do speak up and everything is just publicize the reports, the budgets. So it's so easy even for just a public person to come and question what's going on. Because of the CRA act, we are binded to first put the consumer in front, we need to protect the consumer.

So I think the government would be in much trouble if they would abandon this multi-stakeholder engagement, just from the public itself.

NICK WENBAN-SMITH: Interesting. Yeah, so it kind of depends on the system of government and also perhaps that would work in a representative democracy. But in other political organizations, there's going to be an interesting balance and tension. If we're going in reverse order this time, Jorge, you're up next.

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JORGE AZZARIO: Well, it hasn't been so far—the government administration, these changes haven't affected our governance model within NIC Mexico. But certainly, as I said, we not only deal with DotMX but also with IP addresses. So every time a new government administration comes into the multi-stakeholder model, which is obviously the one that changes the most, the rest of the stakeholders are there or have been there for quite some time, so it takes a little time for them to adjust and understand the model and all the implications. Obviously, there are some governments or some parts of the governments feel some certain threat in how the people behave in the Internet, and obviously, [inaudible] cybersecurity issues and things like that. But so far, it hasn't affected us. I think that's a good relation as they become more aware of the benefits of the model and understand that nothing is born or dies in the Internet but it's people in the end to end that really does, participates, and manifest its [spirit.]

NICK WENBAN-SMITH: I suppose that's part of the challenge, isn't it? That sometimes people who are successful politicians and get themselves elected into positions of power, it's not necessarily because of their technological background and understanding. So there's always sort of an education process. Certainly the government officials and ministers that I've had to deal with over the years—shall we call it a mixed ability class. Some of them have been very technologically aware and very conscious of the impact of their decisions, and some have come from different backgrounds and not been so—sorry, tried to be diplomatic.

JORGE AZZARIO: You're right. Some of these resources [transcend] the country's borders, if you will, and it takes some time for them to realize that it's not a very practical. And finally, there's many other ways in which you can register a domain elsewhere or put some contents in other countries. There's always a way around it.

NICK WENBAN-SMITH: You made a very good point about, I have to explain to people many times, it's international, there's not a border around the national Internet or anything like this.

And actually, the thing about changes in government is as soon as you've got a good relationship and gone through a process of education with one set of officials, then the government changes and you have to start again. That's what I found. Atsushi.

ATSUSHI ENDO: Thank you. Model means that for-profit company or the structure of the relation between the government or the other stakeholders. Direct answer is not so much affected, but the kind of person who's in charge for the domain name industry and in the minister, they change two years term or three years term. It affects us in some sense, but not so much heavily affected to the kind of structure change like that. Each person has an interest, focus point, so there are people who—the person from the government has a strong interest in kind of technology side or [inaudible] side. Yeah, it affects a bit, but not

directly the structure itself. We're 100% independent from the government. Otherwise, it's under the control of the [inaudible] as a DNS operator, but … So it affects but not heavily affected our lives, the structure change. That does not happen. Thank you.

NICK WENBAN-SMITH: I can see that as a private company you're probably the least impacted, possibly. Thank you. and Philip next.

PHILIP DU BOIS: There are t wo levels to approach this question. If the question is about the direct influence a government would be able to apply on our way of doing business, that is none, it's the same as for JPRS. We are a private not-for-profit. But of course, I think there is no model that is free from political influence if it concerns changes in the law, and that's something we saw in Belgium happening depending on which coalition was in the government, we have seen attempts to intervene by law in our registration policy. We have heard ideas about the government to nationalize the registry, and I might imagine that in the future, some will have an idea to launch a public tender to see if we can continue to manage DotBE.

So luckily in Belgium, we have always governments that consist of several parties, so coalitions. In the best case, it's four parties. We are talking today about forming a government with eight parties. So you always find some people that are technically a bit savvy and that are open for some common sense. So you can dissuade them from crazy

ideas. But you're not free. Don't think there's a model that is completely free.

NICK WENBAN-SMITH: It is very interesting, because obviously, each country has a different political system or type of democratic or nondemocratic sort of arrangement. And I know Belgium is very enthusiastically adopting the sort of coalition model. I don't know whether that's a good thing or a bad thing in the sense that it'll be hard to get a consensus to do something as controversial as a nationalization of the ccTLD.

PHILIP DU BOIS: Yeah. There were certainly some plans for that.

NICK WENBAN-SMITH: Thank you very much. That's the four questions. Pablo, do you have any comments on what you've heard? Have the questions teased out the sort of issues that you were looking to explore?

PABLO RODRIGUEZ: Thank you very much, Nick. You have done a fantastic job, and definitely were able to share some questions and some ideas that will get our audience thinking and discussing further. Without a doubt with these last four questions, one of the things that I wanted to contribute was precisely that last part that Philip mentioned, and it is that regardless of what is your governing model and depending on

where is your jurisdiction, government administration changes will in one way or another affect. So we're always under that influence.

Nevertheless, I believe this was an excellent opportunity to get some juices flowing and ideas about what is that conversation of the ccNSO and how these different characteristics get us going and deciding how to handle certain things and others. Thank you very much to all.

NICK WENBAN-SMITH: Thank you, Pablo, for the questions, and thank you to all the panelists for the very interesting answers. Whenever I talk about the ICANN community, as I say, the ccTLDs, we're the best. It is just such an incredibly diverse and interesting range of people, perspectives, nationalities, cultures. It's absolutely brilliant.

We've got some polling questions just for all of the participants now. So everybody, you need to wake up and get ready to answer some questions. Kim, are we ready to do that? Here we go. Look at that, like magic.

So the first question, I won't read out all of the things, but basically, you need to decide—and just one for each ccTLD which is attending, please, so work it out between yourselves which model of the four, or maybe a fifth or sixth or seventh model that we haven't thought about yet.

Just to give everybody a moment to wake up and think. I know it's a very antisocial time of the day in some parts of the world. Okay, how is

the polling going, Kim? Okay, here's the answers then. Wow, 59%. So there are some others which we didn't think of yet.

If you've put down "other," I'd be really interested to know how you would describe your governance model if it's not one of the four that have been on the panel today. I think it's important to include everybody in these sorts of discussions. But you can see obviously 59%, a clear more than half of the models are of the not-for-profit model. Brilliant. Thank you.

Another question. So this is different. Not what model have you got, but what model do you think you would like if you had a magic wand and you could just choose one of the models? Give people plenty of time to respond.

By the way, there will be feedback on the session and the meeting format. Obviously, the next ICANN meeting is going to be remote. I think we're all really interested in what works for all the community participants.

Okay, so this is slightly different then, although not for profit I think still scores exactly the same amount, 59%. There's a slight variation in the other numbers, but it's more or less the same, slight boost for for profit. Thank you.

And I've got here Joel has put in—there are other options in terms of governance models in terms of other—and he mentioned a public-private partnership which is a not-for-profit but is still a different model from the ones that we've explored.

The next question, if you could, would you change your ccTLD's governance model? I.e., how happy are you with your current model? By the way, if everybody says 100%, they're happy with their current model of governance, then this is going to be quite a boring answer. And just while people are answering, I wanted to highlight Joke's comment in the chat to all panelists and attendees around the feedback. There will be a satisfaction survey coming in terms of topics and things, but just while you're here thinking about how this session has gone, it is much harder for everybody to do this all 100% remotely. It gives us a good insight into what it's like to be a remote participant. But just in terms of the organization of the meeting and the interaction of the panelists, it is more difficult, so we're really keen to find out what has worked well and what we need to improve on.

Okay, this is really interesting. So 41%, that's not half but it's close to half that would actually change their own governance model, which shows that I guess as Katrina said in her introduction, there's no one size fits all, which is correct. I don't know whether that's a damning indictment of the ccTLDs' models or whether everybody ... the grass is always greener, right? There's always a benefit from somebody else's model that you didn't think of when having explored all the options available through the day-to-day.

I think there's one final question. And then there are a few other Q&As I know saved up. Feel free to drop them in the Q&A pod. Okay, so a significant majority have not changed their mind as a result of this, but quite a few people have changed their mind as a result of this panel, so I think that's a really well done job for the panelists and for the

session organizers, because it's obviously been very thought provoking that 29% of the participants actually have had their opinions influenced by the information. [inaudible] flexibility that when you hear new information, you change your opinions on things.

So we've got a bit more time just before the session closes, so I've got a couple more questions. From Lito, there's a question around each of the four models, do you have any domain names banned from registration based on policies or guidelines coming from your main stakeholder, whether that's the board, shareholder, university authorities, government officials, etc. So, do you have any banned names from registration? Philip.

PHILIP DU BOIS: No, none. This question I understand, names that cannot be registered that are banned forever, up front, none.

NICK WENBAN-SMITH: Atsushi?

ATSUSHI ENDO: No, we don't have a kind of bad list, but there's some pre-registered list that exists for the sake of the public interest like that. But basically, we don't have a bad list. Thank you.

NICK WENBAN-SMITH: Jorge?

JORGE AZZARIO: Thank you, Nick. No, we don't have either, aside from some policies regarding two-letter names and things like that.

NICK WENBAN-SMITH: So just technical restrictions, not banned as such.

JORGE AZZARIO: Correct.

NICK WENBAN-SMITH: Angela.

ANGELA MATLAPENG: Thank you, Nick. Yeah, same applies for us. I think only the banned names would be from the technical side. But in as much as registration is concerned, every domain is subject to the policies that we put in place, so everyone has equal opportunity to register any.

NICK WENBAN-SMITH: I suppose I've often wondered whether a domain name itself can be illegal. I've discussed this, I know, with the German registry around if you, say, had a domain name which would appear to deny the holocaust, whether that would be something that the registry would effectively have to take action and to cancel or to block. Obviously, in Germany they've got very strict laws on holocaust denial, and that's a

question I have sort of philosophically wondered. I think it's hopefully a hypothetical question.

And I have to confess actually that we in the United Kingdom do have, not so much banned names, but we have what's called a prescribed policy. So we don't block a registration as such, but if somebody was to make a registration and we were to become aware of it, the sort of registrations which would promote serious sexual offense, we would find those against registry policy and we would have to block them. So that's part of our policy.

ATSUSHI ENDO: Nick, I'd like to add, there's no banned list but we have kind of reserved names, that I'd like to make clear, in DotJP. Thank you.

NICK WENBAN-SMITH: Thank you. And I think actually, that's quite common and I think lots of registries have got sort of reserved names for things, but no banned things as such. And Lito, thank you for putting the answers in the chat.

We've still got a little bit of time, I think, so any final questions you should get in very quickly. A quick comment from [inaudible], in IDN for Russia, both prohibited and reserved names they have. I've got a question in the pod which I should give priority to. A question for Jorge from Adriana Lazzaroni from DotIT. A question for Jorge, if we have time, does your governance model foresee investments and research projects and innovation? And how is this carried out in terms

of choice of research topics and budget dedicated? I guess that's a university specific one.

JORGE AZZARIO: Yes. Thank you, Nick. It's a good question. Well, we can invest in things, for example, in blockchain standards. [inaudible] involved some of our people in the IETF work taskforce. And obviously, there's not a restriction on where we would want to invest. We have an innovation [inaudible] for example [IT] private companies. We also invested in some cybersecurity [company nationwide] for other purposes. We're developing tools for example for using DNS as firewalls as things like that. So basically, we promote it. We feel very comfortable investing in these new technologies within the university itself. So NIC put some of its technical staff into these projects and obviously always towards the Internet community [inaudible].

So we're not focusing on other things related to education or health, focused on Internet [stack] related research and innovation.

NICK WENBAN-SMITH: Thank you very much. I hope that's answered your question, Adriana. That's taken us to 25 minutes past the hour. According to my schedule, that's exactly where I have to hand back over to Katrina to have a wrap up and summary and any sort of final thoughts and observations. So Katrina, yes, the floor is back to you. Thank you very much again to all the panelists and questions.

KATRINA SATAKI: Thank you very much, Nick. Thanks a lot. Now I just have to wrap it up. We had this discussion in two parts. Initially, it was intended to be discussed face-to-face in Cancun. Unfortunately, we had to cancel and we decided at the time that we won't have it in a virtual format. Now of course we had to change the approach and offer it as a virtual discussion. Of course, it a little bit changes the initial idea how we wanted to discuss it. But still, I think the discussion was very interesting and very good. I would really wholeheartedly like to thank all our panelists for their passion for their models, because apparently, they couldn't answer the polls, but I'm sure that they're happy with their models. So thanks a lot, Angela, Jorge, Atsushi and Philip.

Yes, we saw that clearly, no model is perfect. In every model, we can find some things that can affect the way ccTLD managers can deal with issues. And here can be many different issues. We saw during the part two for example if a ccTLD manager cannot control their budget and if they cannot implement all those technical solutions and they cannot develop their infrastructure the way their technical knowledge would suggest, then inevitably, it might have impact on the way a ccTLD manager operates.

We also saw that some local issues, especially some system of government, can have an impact, but if everything works fine, then again, it does not have an impact on any of the models. They always can find a way to address those issues.

What else? Political changes may have impact on any of the models. We also heard that changes in laws can have significant impact on any of the models. We also heard that—from what we heard, at least I came to a conclusion that if a ccTLD does not do its job, most probably, it's not the fault of its governance model. There are other issues that have come into play and have some impact.

I also would like to thank Pablo for his questions. Apparently this was something that he discovered during his research. And a lot of thanks to Nick. I think that was a very fantastic discussion that you moderated today, so thank you very much.

With that, we have one more minute. The first day of ccNSO members meeting is over. But there's always a but. I saw in the chat how much we miss each other, this interaction, of course, it would be great to see you all face-to-face, but at this moment, this virtual setup is the only one that we have. And in 30 minutes, there will be ccNSO cocktail. You all have your details. If not, please reach out to secretariat. We will e-mail them to you as soon as possible.

So in 30 minutes, we will come [in an unofficial] setup just to meet each other and say hello, and remember the times when we could share a drink from the same glass without any worries of being infected.

So yeah, see you in 30 minutes, and thanks a lot, again, to everyone for being on this session. thanks to all your questions, and yeah, see you tomorrow.

[END OF TRANSCRIPTION]