
BUENOS AIRES – Joint Meeting of the GAC and the ICANN Board

Wednesday, June 24, 2015 – 08:30 to 09:30

ICANN – Buenos Aires, Argentina

CHAIR SCHNEIDER: ...Members of the GAC would want to raise with you.

So let me give the floor to Steve.

STEVE CROCKER: Thank you, Thomas. Thank you, everybody. Welcome, on behalf of the Board. I'm not going to say anything more because we're going to use the time to jump right into substantive things. Let's just do it.

CHAIR SCHNEIDER: So in that case, let's start with the first point, which is community priority applications. I would like to give the floor to Mark from the U.K.

Thank you.

UNITED KINGDOM: Thank you, Thomas. And good morning, everybody, and welcome to the Board and to chief executive, Fadi. Very grateful for your joining us at this early hour today, and appreciate very much the opportunity to raise a number of issues.

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And I one I want to kick off with today is Community Priority Evaluation and process relating to that, the CPE process.

The GAC continues to keep performance of the CPE process under review, as a matter of serious concern. We're aware of a number of situations where the process does not seem to have rolled out in a way that's met the expectations of applicants.

So this does continue to be an issue we will keep under review. And you will recall that in Los Angeles, the GAC expressed concern about the consistency of the CPE process following the rejection of a number of applicants, and we specifically requested the Board, as a matter of urgency, examine the feasibility of implementing an appeal mechanism. Chair's reply, Steve's reply in a letter of 28 April said that, as I summarize it, in view of actions already undertaken by applicants, this would not be feasible option to pursue.

We'd be grateful for your comments as to whether this is still the Board's position, if you've had any further consideration of this.

As you and we have noted, the ombudsman is undertaking an investigation, and we look forward to receiving his report, which I think we expect sometime in July, a preliminary report.

And my second question, in addition to any further consideration with regard to our suggestion for an appeal mechanism, my second question is what would the Board's process be when that report does issue and how we would continue to engage on this issue in view of the concerns of many in the community about the process currently.

And as we look forward to the new application round which we expect two to three years' time, I expect we would all have the ambition that lessons learned from the current round would be fully taken into account in designing the future version of the Community Priority Evaluation process.

Thank you very much.

STEVE CROCKER:

Thank you very much. I'm going to turn the floor over to Chérine in just a second. But to your last point about taking lessons learned, I'm anticipating that the studies of lessons learned from this round will be approximately the same size as the current Applicant Guidebook and there is a chapter with your name on it for writing up this particular issue.

I'm given to understand, and Chérine will have more data on this, it's important to distinguish between those cases where there is a single applicant who gets priority evaluation versus multiple applicants who pass priority evaluations, so those wind up in kind of different states.

Chérine.

CHÉRINE CHALABY:

Thank you, Mark, for your comments.

Bruce? Okay. And Bruce will speak after that as well.

You use the language of rejection of applications; right? And it isn't, to my knowledge, that there is rejection of a particular application, per se. There are applicants who are competing together, and the CPE just -- well, it has the duty to look at these various application and give, perhaps, special treatment of one over another.

Not everybody is happy with the result in all occasions, but I understand your concerns.

I think as far as this round is concerned, there is not much we can do, and we'll have to think of anything about any lessons or anything new in the next round. But at the moment, I don't see -- you know, if there are specific cases that you can point at, we can discuss.

Bruce?

BRUCE TONKIN:

Thanks, Cherine. Yeah, just to reinforce that the community priority application process is only used in instances where there's multiple applications that have passed evaluation. So in these cases, there has been no rejection. In fact, there are multiple applications that have passed the evaluation process for that particular string.

And this process was really developed to look at special circumstances where there is one clear applicant that represents the entire community. And that's a difficult bar to achieve.

The outcome is there will be the string delegated, and it will be available to the people that use that particular string.

Mark commented about the process going forward. The whole new gTLD program will be evaluated, and absolutely the GNSO has the ability to adjust that process and see if we can improve the process for community evaluation for the next round.

CHAIR SCHNEIDER: Yes, U.K., please.

UNITED KINGDOM: Thank you, yes. Thank you very much for those comments.

With regard to the ombudsman, did you -- did you -- do you have some expectation of how the ombudsman's report will be handled by the NGPC and the Board?

Thank you.

CHERINE CHALABY: Chris.

CHRIS DISSPAIN: Thanks, Cherine.

It's an ombudsman's own motion matter, and he's going to provide a report. And it's almost impossible to answer your question until we see the report.

His report might say, "Everything is fine." His report might say, "There is a problem," but I can't -- we can't say what we're going to do until

we know what we're being -- what he says and what we're being asked to do.

Thanks.

CHAIR SCHNEIDER: Olga, please go ahead.

OLGA CAVALLI: Thank you. Thank you, Chair.

Just one brief comment, that ICANN should have in mind that the applicants competing for one string, some of them from communities and other are other types of companies, are extremely asymmetric. And as a message for the whole community, it could be good that ICANN has in mind the public interest. So these community applications be considered in such way.

Thank you.

CHAIR SCHNEIDER: Further comments on this issue?

I would -- Maybe to end this, I would state that what I note is that the assessment, let's say, from the Board compared to the assessment that we've heard yesterday from the community applicants themselves is fairly different. So there may be some needs to actually increase this discussion on this.

Thank you.

The next agenda item is the request for an update on .AFRICA.

Maybe African Union Commission, you want to introduce this.

AFRICAN UNION COMMISSION: Thank you, Thomas. Maybe if we could get some update from the Board before I convey the message of the African Union Commission to the Board itself and to the GAC.

Is there any way to have any update on that, please?

Thank you.

CHERINE CHALABY: This is in relation to .AFRICA. As you know, there is an IRP process going through. I was a witness at this IRP process. It took place, I think, in May, about a month ago, and we're just expecting the result and deliberation of the IRP panel. It could be in a month or two. I don't really know. It's in their hand.

But as far as the proceedings, it's done and they are now just considering their decision.

Thank you.

CHAIR SCHNEIDER: Thank you.

African Union Commission.

AFRICAN UNION COMMISSION: Thank you, Thomas.

I will speak in French, and perhaps this is easier for me. So I will give you some time to put your head sets.

Thank you very much.

Mr. Chairman of the ICANN Board, members of the ICANN Board, it's always a pleasure for me to meet you. It's enriching, in fact.

Today, I will save you some time and I will not go into the history of this project that is vital for Africa, but I will take advantage of this opportunity to thank all of you who had contributed to this process and to move forward.

I would particularly like to thank the members and colleagues of GAC, because they have unanimously supported this process. And based on their decision, now we have a contract signed between ICANN and the operator appointed by the commission of the African Union. This is very important contribution.

More than one year ago, we have signed an agreement between our operator and ICANN. This agreement has not been put in practice yet.

As affected parties, we are internally -- in an internal process that was brought by a third party, but unfortunately, as an affected party, we cannot influence in this process as we should.

A report has been prepared by a panel, and I hope this report will be published soon. We depend on this report.

Now we cannot do anything. This is an unfortunate situation for us because we believe this process to delegate this domain name should not be stopped based on a recommendation made by an auditing panel. But the procedure and processes are what they are, and so we must wait. There's no way out.

So I want to point out that Africa is remaining silent, but it's not subdued.

So we count on you and all the members here so as to settle this issue in a friendly fashion.

There are some blogs that have compared ICANN and ICANN's authorities with other organizations that are in decay. These blogs wanted to make ICANN unstable, to harm our whole organization, and this might have influenced our relationships. We certainly do not take this into account, because this is an evil game.

In September there will be a meeting of African ministers. They analyze the point of .AFRICA. Then the discussions will go to head of states next year. And I really hope that we should not be put in a position to make decisions that will be not good for anybody. I hope that the decisions we make will be for the benefit of everybody.

So I really call to your professionalism and call upon your knowledge because Africa, ICANN, and the whole world are facing difficult

challenges in terms of the IANA transition, Internet governance, cybersecurity.

And so our relations should not be affected because of this stuff. We know that one day we will settle this issue. And if this is not done today, it will mean a failure in terms of diplomacy. And this will certainly not be a benefit for us all.

So this is the message I wanted to convey from Africa, from the African Union Commission. And I certainly hope for a decision to be made in the short term. We have been patient, but, you know, we have our own limits.

Thank you.

CHERINE CHALABY: I would like to thank for your message.

CHAIR SCHNEIDER: If that is not the case, then let's move on to the next item, which is new gTLD safeguards.

As you know, there is a rather long story to this, so let me give the floor to the European Union Commission to introduce the item.

Thank you.

EUROPEAN COMMISSION: Thank you very much, Mr. Chair, and thank you to the Board for coming to speak to us today.

I'm not going to give you the whole long history. We don't have time, obviously. But I just wanted to recall again in this context that, as you know very well, and the African Union has mentioned this as well, that over the last years, the role of ICANN and the nature of ICANN has been more and more under public scrutiny for a whole series of reasons. Not only from the wider Internet community but from political interests and international media. This is in part, of course, because of the IANA transition over the last year, but I think also because of the growing importance of the Internet to our digital economies and our economies in general, and also to our society. So it's quite normal that the attention is drawn closer and closer to what goes on in ICANN and its activities.

So for this reason, we think that it's even more important than ever for ICANN to be seen to apply its policies in an environment that holds the public interest at the very highest level, and to ensure that reliance and trust in the Internet is underpinned by its activities.

Consumers and, indeed, all users of the Internet will want reassurance that ICANN is carrying out its work with their interests in mind and taking into consideration aspects that assuage public-policy concerns. And I know that you're very attentive to this and sensitive to this, particularly since we've seen two recent letters from Dr. Crocker just in the last couple of weeks on this issue.

At the same time, we think that ICANN should not only take into account more actively the GAC advice on the new gTLD safeguards on highly regulated and sensitive strings but also to be seen to be doing so. Any harm to consumer confidence during this particular period, but also in the future, could potentially create further lack of confidence not just in the new gTLD process but also in ICANN, its policy development and eCommerce in general. Of course ICANN is not the whole Internet, but it has an important role in this.

With respect to protection of rights on the Internet, the Trademark Clearinghouse is a particularly positive example that addresses the issues related to protection of intellectual property rights, and so we think that the ICANN Board can be commended for having required that such protection be included in the registry agreements. But we think it would be a missed opportunity for ICANN to be perceived now as having taken action to protect intellectual property rights owners but not in ensuring greater consistency and coherence in the protection of consumers.

And in the particularly highly regulated industries and sensitive sectors, such as those related to banks, insurance industries, pharmacies, medical support and others, it's all the more important that adequate protection of consumers be ensured by at least a requirement to verify the credentials of owners for those sensitive domains before they enter into transactions with the public around the world.

There are some very good examples of very positive cases where the registry operators have done this, and we think that by working together with all the communities interested and concerned about these issues, we can find some good practice that -- good practices that could be proposed to other sensitive areas.

So we're very concerned about this, and we want to encourage all the interested parties to work together to make sure that we make not just ICANN but the Internet an even be more responsible and trusted place for eCommerce and consumers in the whole world.

Thank you very much for your time.

CHAIR SCHNEIDER: Thank you.

Does the Board want to react?

STEVE CROCKER: I'm not sure it calls for a response.

CHAIR SCHNEIDER: Or other questions or comments on the issue, this issue?

STEVE CROCKER: Thank you very much, European Commission. I think we all care quite a bit about public interest and a positive environment for consumers, a safe environment, one with good -- can trust. It's challenging to

know the best path all the time, so that becomes a sort of constant dialogue along the way. And appreciate your concern.

CHAIR SCHNEIDER: Further questions or comments on this issue?

Indonesia.

INDONESIA: Thank you. I just want to reiterate what our colleagues have mentioned, that we want this in that trusted place for all of us, including especially for eCommerce.

Now, in countries like Indonesia, there are so many, so many crimes based on eCommerce using all gTLD around the world, and saying that as if they're selling Indonesian product with Indonesian account and so on and so on.

I think if we cannot say that a particular -- all gTLDs are trusted place, then we do not want that eCommerce using those gTLDs, will be declining, while today we know that eCommerce is perhaps the most developing business around the world.

Thank you very much.

CHAIR SCHNEIDER: Thank you.

Fadi.

FADI CHEHADE:

Thank you. Thank you, Mr. Chairman.

So to our colleagues from Europe and Indonesia, I thank you very much for raising the importance of the safeguards. You can rest assured, as our chairman just said, that we share with you the same concerns for the public interest and for the protection and safeguards to consumers.

I want to just, however, be very clear that sometimes ICANN's role is confused with the role of a global regulator. We are not a regulator. We are not the content police for the world.

ICANN's remit is limited to its contractual responsibility with the registries and registrars. If it's not in the contract, we cannot do anything. Maybe some day we will, but today we can't. We don't have a flag. We don't have any regulation powers. We don't have any powers to impose anything outside the contract.

So let's just be completely clear that when it comes to the full power of protecting consumers, we play a role with you, we partner with you, we provide information where necessary as our contracts require our registries and registrars. But we cannot do more than that. Our role stops there.

So this is a partnership. This means you have to do your part. We do our part. But we are not the ones that can be expected, either at a government's request or, frankly, at a private sector's request, to shut

down sites and to proceed with being the global Internet police. It is not our role.

But we will manage our contracts and our Compliance Team will make sure that if anything in the contract requires our registries and registrars to comply with the laws, with the regulations that many of your governments set, we will make sure they follow that. that is our responsibility.

CHAIR SCHNEIDER: Germany.

GERMANY: Yes, thank you, and good morning, everybody. And thank you for the explanation I think it's quite valuable. Just a remark. I think we, as the GAC, in particular we as Germany, have some concerns in respect of the contracts that have to integrate some of our -- or should integrate our safeguard from Beijing, and this is something that needs to be in the contract from our perspective.

And insofar as they would become part of your commercial relationship and then could be overseen by ICANN. And, frankly, we expect ICANN to oversee the contract and follow them.

And if there is part -- parts of the contract that are not followed, it is on ICANN to check this and -- in case, even go to some kind of litigation.

Thank you.

CHAIR SCHNEIDER: Thank you very much.

I have the European Commission.

EUROPEAN COMMISSION: Yes. Thank you very much.

Not to belabor the point, but there was never any intention to change ICANN into the global Internet police, of course. We would never suggest that.

I just wanted to underline what Germany has just said. As I said earlier, there are some very good practices. I just use the case of .BANK, for example. And what we want to see is that everyone works together to try to elaborate and extend these good practices to other cases in the highly sensitive and regulated sectors so that we have even better use in the ICANN context of these cases.

Thank you.

CHAIR SCHNEIDER: Thank you.

Cherine, please.

CHERINE CHALABY: Yes. And to follow up on that, since Singapore and in Singapore, we had a meeting where we gathered together the GAC, the ALAC, and

other members of the community, the registries and registrars, to talk about these PICs and safeguards and the enforcement. And ICANN is now pursuing an important idea, which is -- from a compliance point of view, is that -- and I'm going to read it for you here -- ICANN compliance commits to acknowledge complaints submitted by governments and consumer protection agency within two business days. ICANN further commits that complaints that appear to be well-founded will be handled expediently, regardless of the source of the complaint, and also commits to expedite processing of complaints based on factors such as the severity of the alleged breach and the harm that may result.

So that is something that ICANN compliance will do.

We looked at proactive monitoring and -- but decided that, collectively, this is not going to be pursued, for two reasons. One is, such monitoring would be difficult and expensive to implement and is unlikely to generate reliable data from which meaningful conclusion can be drawn.

And the second reason is, such monitoring will almost inevitably, and I'm taking to Fadi's point of view, draw ICANN into making a judgment about Web site content.

But in terms of responding to complaints, we will do this very expediently.

Thank you. And a fast track for governments' complaints.

CHAIR SCHNEIDER:

Thank you.

Bruce.

Okay. Further questions or comments on this issue?

Yes, Iran.

IRAN:

Good morning, everybody.

I think some deficiency in the process and complexity of the process and prevailing circumstances should in no way be translated into lack of competence to ICANN.

Thank you.

CHAIR SCHNEIDER:

Thank you.

Further comments? Questions?

Yes. Bruce.

BRUCE TONKIN:

Yeah, just an observation, I guess, particularly using the .BANK example. I think -- I did a quick sort of search online, and I found one domain name using .BANK that's a live Web site. But also doing a simple search, I found, you know, at least several hundred thousand domain names that include the word "bank" in their domain name, spread across the existing gTLDs and existing ccTLDs. So I think when

we're looking at these consumer protections, I don't think it's just about what's the name after the dot, but it's about domain names more generally, I want to think, because we have many domain names that use the form whatever the brand name of the bank is, followed by the word "bank," followed by either dot com or followed by the country code. That's where the majority of the banking Web sites are today in the hundreds of thousands.

So let's make sure we focus on the bigger problem, which is probably the existing names that use "bank" in their domain name.

CHAIR SCHNEIDER:

Thank you.

Other comments, questions?

If this is not the case, then I think we can move on to the next item, which is country and territory names at the second level.

Spain.

SPAIN:

Thank you.

As you may remember, in our last meeting in Singapore, we pledged to develop a database with the intentions governments have as regards the use of the country and territory names in the second level under the new gTLDs.

We have been working on developing such database. And we are collecting the views from countries. They are filling in the spaces in the table. And by the end of the month of July, I think we will be ready to have a complete list and forward it to ICANN staff or whatever you indicate us it's most suitable to do with it.

Thank you.

CHAIR SCHNEIDER:

Thank you. So this is a piece of information to share with you, that the GAC is working on a simple mechanism that is trying to help the registries and others to have an efficient approach to what's the use of country and territory names on second level. And as soon as the list is -- there may be a rolling list that will change over time. But as soon as the first version of the list is terminated in a few weeks' time, then we will send it to you.

Any questions or comments on this?

STEVE CROCKER:

Let me ask Cyrus Namazi from our staff to comment.

CYRUS NAMAZI:

Yes. Thank you. Good morning, everyone, and thank you for the update on the completion of the list that I think you mentioned in your communique in Singapore. We're looking forward to receiving it.

I just wanted to also give you a quick update in regards to something related to the country and territory names, and that's the release of two characters, for which we have actually put in a process which was updated based on input and advice from the GAC.

We're further updating that process, which we will be unrolling after Buenos Aires, to address some of the objections that we have received from the relevant governments and to ensure that work is being done to address any remaining open issues in terms of objections of the governments, of which we've had about 45 or so. Just wanted to let you know that we're also working on that in parallel.

Thank you.

CHAIR SCHNEIDER:

Thank you very much for this information.

If there are no questions or comments on this, then let's move on to the next bit, which is about the new gTLD program reviews.

We understand that you've had some sessions where this was discussed and some information was given that, unfortunately, due to our own schedule, was not possible for us to attend.

Basically, the idea of this is to get a sense from the board on how it plans to undertake the assessment and reviews of the first round of new gTLDs and to try and give us some information on where and how the GAC can feed in, give input into these review processes, as there are -- as we've heard now, but also on previous occasions, there are a

number of issues where there are some concerns about how things went or what results some processes delivered. So we would be very interested in getting some outline on when and how can we contribute to the ongoing or to these review processes that will start soon.

Thank you very much.

CHERINE CHALABY:

I think, Akram, do you want to handle this, please? Just give an update where all these reviews are and how input is going to be taken into account?

AKRAM ATTALLAH:

Thank you.

So the review process is multifaceted. There are the AoC review requirements, and then there are our own operational review of the implementation of the first round -- of the current round.

So this process is going to take some time to be implemented.

We just did a survey on the awareness of the new gTLDs and also on the competition, and we did a -- started an economic study. These are elements that are done for the first time this year. They will be done again a year from now to review the difference and the change. That will feed also into the AoC review. So there are a lot of work going on. And there is a session here that took place yesterday that covered all of the progress. And we have the time line or the estimated time line

online for anybody that wants to see the progress. And, hopefully, we will get a lot of this work done before any deliberation on what needs to be improved and how to start.

Thank you.

CHAIR SCHNEIDER:

Thank you very much.

Comments and questions on this issue?

Yes, Iran.

IRAN:

Thank you. This issue was discussed in previous GAC meeting, and there was strong support that any experience that we have gained to the applications or implementation of the first round need to be carefully examined and used for the second round. This is very important.

I will raise this issue in the CCWG from a different aspect and context, something which has not been properly designed and studied. If you put it in implementation with rush, you will have difficulty. So we have to take care of all of the problems, difficulties, deficiencies arising from the first round and use it for the second round, and not to rush to implement -- to start the second round. Otherwise, you will be faced with if not identical, but with similar problems and difficulties. That is an important element that needs to be taken into account before starting the second round.

Thank you.

CHAIR SCHNEIDER: Thank you, Iran.

Other comments?

AKRAM ATTALLAH: Thank you very much for your comments. The community is aware of the -- of this. And I think that we will continue working forward on our reviews, and we will take all of the review results into consideration as we develop the next -- next round.

Thank you.

CHAIR SCHNEIDER: Thank you. United Kingdom.

UNITED KINGDOM: Thank you. And thank you, Akram, for that update.

A key issue which we've raised in the committee has been the lack of geographical spread and diversity, the lack of awareness of the opportunity and maybe barriers or challenges for stakeholders in communities in developing countries and small island states. And I just want to reiterate that. It's an issue that we are actively concerned about in the Commonwealth community, where I'm working with member states of the Commonwealth on Internet issues.

So I want to take this opportunity to underline that, and that it's a key feature of the review to address that widely regarded deficiency in the current round.

Thank you, Chair.

CHAIR SCHNEIDER: Thank you, U.K.

Further comments?

If that is not the case, then we have a few minutes left for an exchange on two other important elements, which one is the IANA stewardship transition. I have Norway, who will start the discussion. Thank you.

NORWAY: Thank you, and good morning.

I will just give you a brief overview of where we are with the CWG response from the GAC.

We have participated in the CWG as a charter organization, and we have had substantial, then, comments made from governments also in the public comment period of the CWG.

These are comments that have been very useful in the CWG work for the members and the participants in this group from the GAC side. I think it's in total, around 12 participants and members we had. And also comments that we will bring with us in the further work from the GAC side in the ICG and also in the CCWG contributions.

The GAC has actually finalized the discussion on the CWG draft proposal -- the proposal yesterday. We have a conclusion and our response. It is decided to send a direct response to the CWG co-chairs. This is not advised to the board as such, it is a response to the co-chairs of the CWG.

So I think the latest status I heard from our chair is that this -- we aim to send out this around lunchtime maybe today already. And, of course, we will have, I think, a note of this also in the communique. But the message will go out in a letter from our chair today.

I think we can already say that we have taken note of the CWG stewardship final proposal and that the GAC states support for its submission to the ICG. So we are joining the process. We are contributing to the process going further.

And we, of course, have to also respect and -- and point to the individual delegation comments that have been given in the public comment period. We also underline the dependencies between the CWG and the CCWG, and that we will engage fully in the CCWG work further to look after these dependencies. But overall, the GAC is giving a positive message to the CWG about the further process and the contribution to the ICG.

Thank you.

CHAIR SCHNEIDER: Thank you, Norway.

Brazil.

BRAZIL:

Thank you, Mr. Chair. And I'd like to start by thanking the board for meeting us, and also Norway for the report, and to say that we fully adhere to what I said to -- by Norway, we intend to remain engaged and to contribute constructively to the outcome of the process.

However, I should highlight that this year, we -- it's a very important milestone for all of us. This is the ten-year anniversary of the WSIS outcomes. Also, we celebrating -- not celebrating, but it's been one year and a half since NETmundial, which although did not lead to a negotiated outcome, it's outcomes represent kind of broad consensus on the community of how to proceed.

So in that light, I'd like to take the opportunity to say there's some principles and vision emerging from those processes. From WSIS, the notion that Internet governance is multistakeholder and stakeholders have -- different stakeholders with different roles and responsibilities. And NETmundial, we have in the road map section of the outcome document some very important provisions and recommendations regarding the transition process.

In that light, we are very happy to see that some of those recommendations emanated from NETmundial are being fully accomplished in the process. The process is inclusive. The process seeks to retain the bottom-up approach and aims at maintaining the

Internet as it is today, open, transparent. And so we fully agree with that.

But in other portions of the NETmundial outcome, I think the process still lacks some more strength. And I recall that the NETmundial outcome document called for the process that would lead to net -- to ICANN becoming a truly international and global organization, independent, with verifiable accountability mechanisms. We are heading in that regard, I think. And that the political aspects would also be addressed and balanced with the operational aspects.

So in that regard, we think the process does not address adequately the vision that was conveyed by NETmundial. Our assessment is that the solution we are aiming at will not have this characteristic of assisting ICANN to become a truly international and global organization, since we have been working since the beginning in a kind of a straitjacket, which is the present situation, the present legal status that is linked to the fact that ICANN is a corporation established under the California legislation. This is not being correctly addressed.

Our vision -- and I want to be very clear about that -- is that this should not be replaced by an intergovernmental agreement. We are fully convinced this is not the case. But this new, let's say, pact should emerge from the multistakeholder voluntarily agreeing on which rules should guide the organization. And that discussion did not take place, unfortunately. As I said, we have been working that kind of straitjacket, and the -- the new system we are headed, the new model will be also governed by these rules.

We see even the experts' advice that some very interesting options and models, they have to be dismissed because they say, no, this does not conform to the existing rules, procedures, the existing way of doing things.

So, basically, what I want to say, we are committed to the process. We want to be part of the decision for the transition to take place. But we think the process should not stop here, that it should go forward, seeking to make that vision a reality. This should be done, of course, in a very careful way, because we do not want to seem that any decision to move forward, to in a way try to fret and the criteria we have agreed to be guided by. So by agreeing to move forward and to have further discussion on those aspects, we are not in any way going back on any of the commitments we are making and the criteria and the parameters that (indiscernible) that should be there as something fixed. But, nonetheless, for the transition itself, our main concern is that the role of government as part of the multistakeholder community will be acknowledged, to the sense that governments will retain their ability to send inputs for the decision-making process in a way that would address the roles and responsibilities of governments with regard to public policy. And we are concerned that some discussions sometimes tend to try to limit the ability of governments to at least interject advice into the process. We think that's the vision that to -- this year we are commemorating ten years of the WSIS, clearly states that each stakeholder should, within its responsibility, have the full capacity to influence the process. So we would certainly

not be happy if any conclusion, even at that first stage, would in a way limit our ability to influence.

And (indiscernible) that limit is -- today, governments have a limited role, because governments do not sit at the decision-making table.

And finally, in regards to NETmundial, we are confident that this will be seen in a positive light by ICANN. ICANN has been part of -- partnering with us and other members of the community to take the NETmundial outcomes to another level, to seek to implement it. And this has been part of the vision that we conveyed at NETmundial, we are convinced the ICANN board will embrace this and make sure that up on this first phase of the transition, that we are not closing the door for very important discussions that were signaled at NETmundial and in our assessment still remains to be fulfilled, it has not been correctly addressed in the present phase of the process.

Thank you.

CHAIR SCHNEIDER:

Thank you, Brazil.

Comments or questions from the board or from GAC members?

If that is not the case, then we'll move on to the other part of this process, which is ICANN accountability. Iran, please start.

IRAN: Thank you. Thanks. His Excellency, the ambassador, he raised very persistent, very important point, very valid point. We all have been attending NETmundial, and we know the positive outcome of that and the purpose of actions taken.

Nevertheless, I think these very important points need to be pursued in the CCWG, which now started the second round reflections.

So perhaps all of us, the government, need to be encouraged or perhaps urged to actively participate in the CCWG and raise these very important points raised by ambassador in that meeting, in that group, in order to be taken into account.

So I think that is a good point, and we support that, but at the same time we encourage GAC members to follow up actions there.

Thank you.

CHAIR SCHNEIDER: Thank you, Iran. Comments? Questions?

Indonesia, and China.

INDONESIA: Thank you, Chair. I just want to press the importance of the one mentioned by our friend from Brazil, because you mention about the importance of the involvement of a government and not to limit the possible intervention of the government in the Internet activities, at least in our countries.

Now based on that, I think also -- I would like also to recall the importance of the next GAC meeting in 2016 in Morocco, Marrakech, ICANN 55. Yes, ICANN 55 in Morocco, because there will be high-level meeting, as was invited yesterday by our friend from Morocco. So I would like to again say that in that high-level meeting, all these problems should be finalized and, hopefully all the leaders can declare that we will go forward for one world, one Internet, one independent, one international multistakeholders organizations to run the Internet.

Thank you.

CHAIR SCHNEIDER: Thank you, Indonesia.

Next I have China.

CHINA: Thank you, Chair, and good morning. And in order to make my question clearly, I want to use Chinese. Thank you.

When it comes to accountability, I would very much like to share our views with you. Just like the representative from Brazil, we think accountability is a core issue of ICANN operation. It's also a core issue for IANA transition.

IANA transition is to come up with a reasonable accountability system for IANA's function. That's why previously in our discussion we talk about the report the CWG going to deliver to ICG, but it doesn't mean that we approve CWG because in there, one of the thing they have to

do is to approve ICANN's accountability. However, this part of work is not done yet.

In opening ceremony, Fadi talk about the specific working plans in regard to IANA's transition, stewardship transition. So we hope we can now focus on the accountability going forward.

In terms of GAC, we should continue to move forward and continue to make adjustment. So in the Internet public policy, GAC can fulfill its role. This is also comparable to what we talk about yesterday, and similar to the opinions of many representatives from many countries.

We cannot make the conclusion right now to say the GAC will forever just be advisory body, so now we want to ask two questions. The legal jurisdiction pertaining to IANA transition. Right now, they have made some improvement in CWG projects; however, if we do not make any change, then ICANN have to make its decisions based on the U.S. law, and you might go against the benefits of other countries. So we have to resolve the legal jurisdiction of ICANN.

Many countries in this meeting have talked about the importance of legal jurisdiction, and they also point out the unreasonable aspect of this jurisdiction. So for as far as China is concerned, even if we cannot resolve this issue quickly, we still hope that we can put ICANN's legal jurisdiction on the official agenda. I think it should become an important subject of CCWG.

And another thing is accountability and transparency is going to affect the information the world receive about IANA transition.

We know accountability and transparency are very important. In order for the world to know better about the IANA transition, we need to rely on the transparency of the root zone operation. We need to be responsible to all the communities and receive the monitoring of all stakeholders. This is the only way to maintain the stability and security of international Internet.

When it comes to the confidence of the international Internet as well as the governments, whether the transition will be smooth is very important. So now we would like to listen or hear from the board members of ICANN regarding what I have just mentioned.

CHAIR SCHNEIDER:

Thank you, China. We are already quite late, so let's give a quick word to the Board, and then I have Russia and Japan. So let's all be brief because time is basically over, but this is important, so thank you.

STEVE CROCKER:

Well, thank you very much. The focus on the -- let me take a -- Sorry. You want to say something?

BRUCE TONKIN:

Just a very quick comment on the legal jurisdiction. I think one of the things that the GNSO and the gTLDs are working on as much as possible is to come up with processes that aren't relying or dependent on the U.S. legal jurisdiction. And to use one example that's been in place for some time, that would be the dispute resolution process that

we use for trademark disputes with respect to domain names. So that dispute resolution process is available for anyone in the world to use.

And then if the parties are unsatisfied with that dispute process, then they can take that trademark dispute to the local jurisdiction.

And I think a lot of what we've been doing with our new gTLD process is similar; that very rarely do we rely on a legal process in the U.S. jurisdiction. Most of the processes we are developing are arbitration and dispute processes that are not tied to any particular jurisdiction. And then if there is an escalation, it should escalate to the jurisdiction of where either the registrant or the domain name is located or the registry is located or the registrar is located. It's not tied to where ICANN is located.

FADI CHEHADE:

If I may add to what my colleague Bruce Tonkin said, all the new gTLD contracts no longer state that the jurisdiction to settle disputes is California. That's been removed.

So it's very important to appreciate that we have been working to globalize the way we settle things, and it's working quite well.

Having said that, in response to the concern about our full globalization, which Brazil mentioned, I think it's important to confirm that we are aligned that ICANN needs to globalize in every possible aspect of its work. We are completely aligned on that. But as many of you have seen these processes, there is a journey. It's not an event that makes us global. Globalization in even corporations starts with a

geographic presence, but then it moves to globalizing processes and systems. And then from there it moves to globalizing the way we think, which actually is a bit more difficult to do. That's the DNA of the organization starting to become global, and this is a journey.

Part of that journey is the end of the U.S. stewardship, which we've been working on, but it is not the end of the journey. There is a journey, and we will start on it, we work on it. We count on your assistance and help in shaping that journey as we go. We need the GAC and we need government to continue advising us, as you have been, very effectively, in fact, so that we can get through this.

And I was very worried that Norway will not say that there are positive results by noon, but she did, thank you, because otherwise we would have had two and a half hours of torture, which I think is illegal in most jurisdictions. But thank you for telling us that you have come to some conclusions. We look forward to hearing about them. And we encourage the GAC to continue to be very engaged with the CCWG Accountability process.

ICANN is committed to improve its accountability and transparency. I think the last 16 years show that we have done many things to improve that. This is a journey as well, and we can improve, for sure, in many areas. So please guide us through that process.

Now, here's the "but" part. But let's make sure that nothing coming through these processes destabilizes the delicate balance that we have built together today for the last 16 years.

What we have built here is remarkable. Our ability to work with you, to get your advice, to work with other parts of the community and advance the work on a global level is unprecedented. So let's make sure that what we have is not completely thrown out. It is improved. It is taken to the next level. No question. But this delicate balance is important. And nowhere in this delicate balance should we change the role of governments. We should -- It's been strong, it's been active, it's been effective in helping ICANN be a better organization. We need that role to stay where it is as it's been very effective.

This is important, because as you said, China, it's the security and stability of the system that should be at the heart of everything we do. So we cannot change the balance of the system so much that the security and stability of the system becomes critical. And let's not forget this is one of the key criteria of NTIA for the transition: security and stability.

CHAIR SCHNEIDER: Thank you. Erika, do you want to very, very quickly say something?

ERIKA MANN: I know you are under immense time pressure so I will keep it very short, but comment from the Chinese representative from the GAC, I think it's rightly pointing out that this is a critical moment in time so the transition and the accountability process offers an interesting opportunity to review what we call internationalization. And I think Bruce is right as well. We sometimes tend to forget in this Internet

world the relations between international law and between local and global -- and national laws.

So I'm much more confident that we will find a solution if we keep this always in mind, that in many ways we already apply national laws in the registrars and registries, and it's embedded in our contract.

So I think if we keep this in mind, probably our concern will be less relevant.

CHAIR SCHNEIDER: Thank you.

Russia, please.

RUSSIA: Thank you. I will speak in Russian.

I would like to endorse the opinion of other governments that say that it's very important to have a certain alignment between the two processes of preparation of this transition, IANA transition process, and the proposal of accountability because these two process are aligned.

We also have some doubts and hesitation regarding certain details of this proposal.

We are aware that this process is limited in time, and it's very difficult within this time limit to create a certain proposal that will satisfy

everyone. We also respect NTIA requirements and are aware that this proposal will be aligned with this proposal and these requirements.

Anyway, we know that although that these doubts will not be removed, we will hope that these problems will be in certain way detailed and implemented.

I would like to list these problems. First the role of governments in the area of decision-making, and here we totally agree with Brazil that this level of decision-making and the role of governments cannot be lower than it is today at this level.

Russia has stated many times that the role of governments in the decision-making process in public policy should be increased, but at this level we can't agree that (indiscernible) role can be influenced, affected.

Secondly, the jurisdiction. We totally endorse other governments that say the question of jurisdiction should be further considered. And it's great that ICANN has listened to us and the Board as well, and it's great that this opinion is shared and will be considered in the future.

Thirdly is the immunity regarding sanctions, because if we say that one and the same company declares a certain public interest as the best -- as the main intent, the same company participates in the application of sanctions regarding Internet users. This can't exist. There should be always some possibilities for ICANN to further introduce immunity against sanctions.

And fourth, it's very important for us, and we should not overlook this, is the role and status of operators.

Thank you.

CHAIR SCHNEIDER: Thank you, Russia.

Japan.

JAPAN: Thank you, Chair. And thank you, board member, to come here.

Just I have a simple question regarding the proposal to give empowerment for -- to the communities by CCWG. We like ask you how the Board look at this proposal? Although we understand the ICANN Board has (indiscernible) role for ICANN's management and operation at certain level with accountability and transparency. Otherwise, we ask you what lack of both function role were for both so far, and how the Board improve them? Is empowerment for communities only way or not? So I would be grateful if you can (indiscernible) some thinking.

Thank you.

CHAIR SCHNEIDER: Maybe a very short answer from the Board to that question.

STEVE CROCKER:

I'm not sure I completely got the sense of it.

I'll endeavor to give a response. I'm not sure I got the complete sense and I apologize if I miss some of it.

As Fadi has mentioned more than once, we view the accountability as something that needs to be improved continuously. It's a journey not a single destination.

Our general approach is that maximum amount of transparency, a refinement incrementally of what the rules are.

We're faced over and over again with situations that do not have ultra clean, well-documented and well-worked-out answers. And so as a community, entire community, not just the Board, not just the staff, we find our way through these and we take the lessons from the hard cases, and we refine those, and we try to improve the -- what those lines are. And on that basis, we improve our accountability. We try to keep our transparency high in every case.

And I'm not sure whether or not that gets at all of the issues that you had in mind, but that's at least a part of the answer.

CHAIR SCHNEIDER:

Okay. I think we'll need to stop and just quickly go to the last item very briefly.

France.

FRANCE:

Thank you. I would like to say that France shares many of the views expressed by other nations, especially Brazil and Russia.

Now I'm going to speak on France's behalf and also some countries, including Argentina, Gabon, Spain, and Brazil. I will refer to the CEO, and my comments will be addressed to Steve Crocker and George Sadowsky.

I would like to say that despite some significant flaws, you have enabled us to have an exceptional CEO in Fadi's person. He has been a great contribution to ICANN. And let me highlight some of his qualities and virtues.

Please take these into account when you start searching for a new (indiscernible).

Let me mention four of these qualities. First I would like to say that Fadi showed that it was very important that although he came from a business background, he could understand that part of the job also had a political and a diplomatic dimension. This is extremely important because you need to convince capitals.

The second quality related to the first one is the fact that Fadi embodies multiculturalism and this is extremely important. This is not only related to an image that he projects. It has to do with the fact that people can understand him and he can understand the people.

I don't know if you will be able to find a Lebanese Egyptian who speaks French and also belongs to the Californian society, but we would like to repeat these kind of characteristics.

Then Fadi also showed that he could do an excellent job as a CEO without coming from within ICANN, without being an insider. I believe that perhaps this was an advantage.

And the fourth quality is that Fadi announced that he's going to leave ICANN, but that should also be considered as a reference to show that there is life outside ICANN and that a good CEO does not necessarily need to spend his all -- all his entire life in this position.

I would like to extend my appreciation, and I could spend two hours talking about him.

[Applause]

CHAIR SCHNEIDER:this item --

UNKNOWN SPEAKER: Now I would like to take the next two hours to talk about Fadi's default, if I might.

[Laughter]

STEVE CROCKER: If I might. We actually have streamlined the search process. We've instructed the search firm to limit the search to only those who are Lebanese Egyptians living in California, speaking french. There are 17 and we're interviewing them next week.

[Laughter]

We will have an answer very shortly.

CHAIR SCHNEIDER: How many brothers and sisters do you have, Fadi?

Okay. Thank you very much, and please apologize for running over time, but sometimes this is important. So thank you very much for these engaged discussions, at least in the second part of this meeting.

Thank you.

[Applause]

[END OF TRANSCRIPTION]