
COPENHAGEN – LAC Space
Monday, March 13, 2017 – 11:00 to 12:15 CET
ICANN58 | Copenhagen, Denmark

UNIDENTIFIED MALE: Good morning. Monday, March 13, LAC Space.

RODRIGO DE LA PARRA: This is Rodrigo De La Parra speaking. Hello, everyone. We're going to begin with the session. Good morning. Going to start the session, please. Okay, so we're going to start. We have headsets. This is going to be a bilingual session, so I'm going to start speaking in Spanish. If you don't speak Spanish, it would be a good idea to use your headset.

Okay, we have a very interesting and packed agenda. We will talk about some relevant projects that we have for the Latin America region. We will be showing you the results of the DNS industry and DNS market study. We will speak about the DNS Entrepreneurship Center that we have for the LAC region, and we will have a presentation on gTLDs.

We also have a very special guest. Since we are in Europe, we will learn a little bit about the European DNS market. We have Michele Neylon here. He's a very good friend of ours and we will begin with this.

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

We also have our guest from ICANN wiki, perhaps you already have your image or picture there. And if you cooperate with this project, of course, your picture will be placed in the cards decks. So, welcome you all.

DUSTIN PHILLIPS:

I'm Dustin Phillips for the record. I would just like to introduce everyone in this room to ICANN wiki and what we're trying to do in the LAC region, and what we are working on is bringing our resource to everyone in Spanish and Portuguese. We've been working on Spanish for a while and the content is really coming together thanks to some great partners along with MinTIC and Dominios Latinoamerica.

And right now we're measuring our success on the community engagement and interest in the Spanish language content, and we're finally getting to a point where we have a robust enough resource that it could actually be utilized by newcomers of a Spanish speaking origin that want to get involved with ICANN. So, we're going to start promoting that, but we still need people to help create and translate the content. Our ability as English speakers is a little bit limited in that.

UNIDENTIFIED MALE:

Lacking.

DUSTIN PHILLIPS:

Lacking. And so anyone who would like to either just help share the word about the Spanish resource among newcomers in your region who are interested in getting involved in ICANN, please send them our way. And if you're interested in helping to build the resource in Spanish, then please come find us and reach out to us.

We also have Portuguese, which is just getting started and we're really excited about that. We've been working with Daniel Fink and hosting some webinars in the region, and we will actually be coming to the SSIG in Rio in early April, so that will be a great opportunity to build the Portuguese resource and make it a very useful for all of the Portuguese speakers, just like we have for the Spanish speakers. So, I would just like to extend the same invitation to all the Portuguese speakers out there, whether you're from Brazil, Portugal or any number of the African countries that speak Portuguese. Just come find us, and if there are newcomers who are looking for a resource in their language, point them our way. We'd love to gauge the level of interest in this and start building the resource for everyone.

So, thank you, and I'd also like to introduce everyone to my colleague, Jackie Treiber. Do you have anything that you would like to add to that, Jackie?

JACKIE TREIBER: I think you have it covered. Thanks, Dustin.

DUSTIN PHILLIPS: Alright. Well, thank you so much, and I hope to talk to some of you soon.

RODRIGO DE LA PARRA: Thank you very much. There you see the [inaudible] for everyone just to have ICANN wiki in our own regional languages. We will continue with the agenda, but before that, I would like to recognize all the Latin American, the Caribbean members that we have here actively participating in many groups and many leadership positions by helping Fellows representing governments.

We also have our member in the Board, Lito Ibarra. He's here, so Lito, thank you for being here with us. We have also Oscar Robles, the CEO of LACNIC. Welcome. Welcome you all. Umberto and Maritza from LACRALO. Thank you. Andres Piazza coming from LACTLD and Eduardo Santoyo. So, thank you. Thank you for your participation.

You are members of the ccNSO, the GNSO, ALAC members, so we are now in the places we must be. We're also present in review

teams, we are in the CCT Review Team. Here we have Carlos Gutierrez, he's a liaison to the GAC. We have Carlton Samuels. If I'm not mentioning someone, sorry for that, but as you can see, we are increasing the quantity and quality of our representation.

Let's continue with the agenda that we have planned for today. Today, we're going to have a presentation, if I'm not mistaken. Okay, there it is. Okay. I will give the floor to Daniel Fink. As you know, he's responsible for the Brazil Engagement Section, but now he has a new responsibility. He is helping us to coordinate the effort to promote and develop DNS in the region. So, he will be presenting, updating us on two important projects, CELAC and also on the market study.

So, Daniel, without further ado, I give you the floor. Thank you.

DANIEL FINK:

Thank you very much, Rodrigo. This is something important to take into account. We have translation into Spanish and into Portuguese, so channel two is Portuguese. So, I was asked to choose a language to speak, and since my Spanish is not that good, I will speak in Portuguese so as not to mix up and confuse translators.

Here, we have a presentation on the Entrepreneurship and Internet Center that we have been developing since 2015. This

here is a brochure that we launched some time ago about CELAC. Here, we'll see some details and we'll make a presentation for those who are not acquainted with this initiative. CELAC is the Entrepreneurship and Internet Center inaugurated last year in Asuncion in Paraguay and this is a joint initiative with the national Secretariat of Communications and Information Technologies in Paraguay, the CENATIC, LACTLD and ICANN.

The regional strategy in Latin America and the Caribbean includes activities for promoting economic aspects and entrepreneurship related to DNS. So, creating a center like this one might be a good hub for promoting these initiatives. This center contributes with internet system and encourages abilities not only for the DNS industry – which we know quite well here – but also we'd like to be open to other players that may enrich our hub regarding ecommerce, digital marketing, etc.

So, this center should be a repository of information and to include experiences and knowledge and expertise. The center is open, and let me tell you there's something that we'd like to discuss at the end, and this is on how to expand the center to other areas as well. We have an Advisory Committee. Some of the members of the committee are present here, and they have guided us along all the activities of the center, and we are very thankful to this committee.

Here we have activities of what we have been doing so far. We had a Memorandum of Understanding in Buenos Aires, June 2015. Then the inauguration of the center last October. The first training course is by Michele Neylon who is here. He was the first trainer of CELAC together with León Sanchez and we have had interns here. Eleeza is one of them, and we have had [inaudible] first to training courses on judicial and law related courses. All these courses have been recorded in videos and we also have courses for citizens in Paraguay and person to person courses as well.

Other courses that are being promoted by CELAC are electronic commerce, digital marketing for people in Paraguay, and these courses are also transmitted through YouTube. Streamed, actually, and then they are saved for later access. Here we have our calendar until April, and here we have some recommendations from this market research of LACDNS, and we have already completed it and some of the recommendations shown here are within the scope of CELAC.

Here we have these boxes here on the screen where we can see, for example, how the value of the DNS and Internet is shown to our communities, discussions on the available technologies, which ones are in competition between one another, and [supplying] educational materials for this and then an agenda for the DNS, which is a great need for our region. Then the

promotion of awareness, programs of new TLDs and also this report recommends channel devoted to – for explaining the innovations or updates of these new domain names have to offer. And we have other items that specialists have recommended, like activities for developing our system. This is within the scope of CELAC as well.

And besides this, this is a center – quite new center – and we have had our first activities not long ago, and here we have some items for discussion, like the next steps, like carrying out webinars with industry players and face-to-face programs, and storage of material and strategies of our registrars and registries, and second a seminar of digital marketing in Buenos Aires for June this year.

And then, we'll carry out similar events in Brazil and perhaps in Mexico, and then we will open a new CELAC center in the Caribbean region, because in the Caribbean we could develop content related to the languages spoken in the Caribbean, English for example. So, we are planning to open this center, and this is something we need to discuss.

For the next fiscal year, we have two face-to-face courses, and we still need to set up CELAC as a body, an appropriate body with a constituency and strategic partnerships. CELAC nowadays has like three legs. We have CENATIC, LACTLD and ICANN. And

what about the other legs or pillars that CELAC might have? Who else could adopt this initiative and supplement the scope of CELAC?

This is another matter for discussion. So, let me finish here. I'd like to hear your comments on what we have developed and about our next steps, what the next steps to follow.

RODRIGO DE LA PARRA: Okay, we will have a brief space for Q&A sessions for this. Vanda, go ahead, please.

VANDA SCARTEZINI: I'm going to speak in Portuguese as well. This will make things easier. This is to encourage the use of our languages. And let me comment on CELAC.

I followed through all the process. I attended the process like as if it were a fellowship, and this was a very fruitful experience, very interesting experience. Everybody present is still in contact, and we have shared ideas.

This has been a very positive experience, and I'm sure this will be so in the future. So, the idea of setting up partnerships – and I commented this with others, and we also have the DNS Women since 2009. This is a formal project, and this project aims at

training women in this area throughout the world. We are going to carry out two pilots. One in Latin America, the other one in the Caribbean, and then in Africa.

We hope we'll be able to launch the African training in Johannesburg right now, and from the very beginning, I think that the next meeting will be in Panama the beginning of next year. No, the first one will be in San Juan. First, San Juan and then Panama. But for me, San Juan sounds like Latin also. It's only an annex to the U.S., but it sounds like Latin to me.

UNIDENTIFIED MALE: Maybe yes, in the culture, language, in our hearts we are Latin.

VANDA SCARTEZINI: So, we'll start – even before, because we are going to complete the pilot for Latin America, and then start at the end of this year. So, this is a partnership. We are going to work together with CELAC. We are negotiating this with the registrars and also with ICANN and with CELAC. A first example on how we can share information, services and activities, and also expand the network between the regions for possible business between our regions. Thank you.

RODRIGO DE LA PARRA: Now, I'd like to move on to Tony.

[ANTHONY HARRIS]: Thank you very much, Rodrigo. I will be very brief. When it comes to the initiative that Daniel has described in Asuncion, I have a question. And the question is – a question and a comment – and this is, if you have included the issue of universal acceptance for new gTLDs, within the topics you're implementing in this center. I believe this is one of the most important topics being debated in ICANN, and although this is not a high profile topic in this meeting because this is a technical issue for those who are not acquainted with this, there is a group which is Universal Acceptance Working Group, and we are part of that initiative. And after two years of work, we have technical material and educational material developed which is available in Spanish as well, and I believe that could be well delivered and well provided by this initiative in Asuncion because this has to do with DNS because we are trying to solve the issue with new gTLDs that are not recognized on many platforms and applications that had been developed. So, there is a question, Daniel. Sorry for that. My comment has been already made. So is this issue included in your program?

UNIDENTIFIED FEMALE: This is not included, but it's a good idea. We hope it will be included, we fully agree with that. So, thank you very much, Tony. Go ahead, please. If you'd like to introduce yourself.

CLAIRE CRAIG: I'll speak in English. My name is Clair Craig. I'm a first time Fellow at ICANN, and I am from Trinidad and Tobago. I was pleased to hear your report on the CELAC initiatives and I am happy to hear that you are considering introducing a CELAC in the Caribbean region. As you know, we have very many different vulnerabilities as small islands, as well as language barriers. My question is, have you already started doing work on the CELAC in the Caribbean? And if so, can you share some of what you have done, possibly who are your partners or some of what you plan to do in the future? Thank you.

DANIEL FINK: Yes, well, we have no plans. We have a whiteboard to start filling up together. So, it would be much better if we could – from today, from this meeting – touch base and discuss how we can start this process. But we know the direction is open a CELAC in Caribbean, and that's it. Other things, we can decide together. Okay. Thank you.

RODRIGO DE LA PARRA: Thank you, Daniel and thank you, Clair. Welcome to the community, welcome to ICANN. It's a pleasure to have you here. Marilia, please.

MARILIA MACIEL: My name is Marilia Maciel. I'm representative in the noncommercial sector in the GNSO. I would like to first express my satisfaction with the development of this initiative that has gathered many people, particularly Daniel that has been tirelessly working on this. I would like to congratulate for making this idea come true. I would like to link what we're discussing here and the policy development process in ICANN.

We have a gTLD and Subsequent Procedures Group, and as a member of this group I believe that now it is time to do other things. We have a survey with many questions. Two chapters of this survey have to do with this initiative, support to applications, and the second, how to outreach to develop the DNS in other region. One of the issues I raised in the last meeting of the Council is to make this survey to be considered as a natural consultation process from ICANN.

If we want to understand why applicants have not been able to participate in the market and are [leaving] in the market as a report talking about the reduction of the number of registrars, there are a number of people who are not participating in this

process, so the Stakeholder Engagement Group has an essential role in this.

I would like to ask Daniel and other people from the Stakeholder Engagement Team such as in [Africa] for instance to circulate this survey. I know it's a very large questionnaire, very extensive, but you should at least use the questions relative to outreach. And one of the essential roles of such a center to have these ICANN consultation processes reach these final actors. So, this could be a part of the scope of your CELAC.

I like to congratulate for the result of the survey. I don't know if you mentioned this, but we had a survey on the DNS marketplace in Latin America and Caribbean region. It has very interesting results [for now]. Some registrars from developed region do not sell in Latin America due to the lack of market, so we have to discuss this and at the time of policy development, we should discuss this. Is it a matter of application? We have to take this further to see what happens after the applicants apply. Thank you.

DANIEL FINK:

Thank you, Marilia. The most moving moment when trainee said, "I want to sell domain names." I almost cried. But the commitment of the trainees is to multiply knowledge. But I think it's a good idea to use a questionnaire. Thank you.

ISRAEL ROSAS: I have only one question. What is the kind of support that the government agency is providing, the government agency that is participating in CELAC?

UNIDENTIFIED MALE: ICANN just got involved with the first courses, and now [CENATIC] is doing this. So, we need to have other people who will help us with this in the center.

RODRIGO DE LA PARRA: Thank you very much, Israel. I have one other comment from Vanda and then from Carlos, and then we will go to the next issue.

VANDA SCARTEZINI: Well, I would like to tell Marilia that I'm of the Subsequent Procedures Group. First in Brazil, I have worked with registrars. I've talked to registrars to see if they answer the questionnaire and I have circulated this to CLAC that have trading courses in this area. I believe we have to expand this collaboration among the groups. Thank you.

RODRIGO DE LA PARRA: Okay, thank you very much. Let's now continue. Anybody else want to take the floor? Go ahead, please.

BERTNELL RICHARDS: My name is Bertnell Richards, Georgetown, Guyana. First time Fellow for ICANN. I'm one of the persons who attended the CELAC training in Paraguay. It was very much useful, but I have one concern pertaining to Guyana and the Caribbean. And that concern is that we usually get a lot of training, but in terms of actually taking the training in terms of the integration aspect, that's my main concern. So, what I'd like to know is, what does ICANN in that regard? What do they intend to do? Or is there any plan in that regard? Thank you.

DANIEL FINK: Well, we could discuss that further. I understand perhaps we need something more hands on, more business mentorship, let's say, or even internships. We see that in our LAC strategy. Maybe some projects are already going on on these things. I think it's a good idea to prepare a plan on that sense.

Thank you for the suggestion. Good point.

RODRIGO DE LA PARRA: Thank you, Daniel. If we can have our agenda once again, I think it's time for our presentation. Our special guest, Michele Neylon on the use of DNS in Europe. I just want to be sure. Michele, are you ready? No? Okay. Never. Go ahead, please, Michele.

MICHELE NEYLON: Sorry, what do you want me to talk about?

RODRIGO DE LA PARRA: The party last night.

MICHELE NEYLON: Okay, so there was lots of alcohol.

RODRIGO DE LA PARRA: We want to learn about the [inaudible]

MICHELE NEYLON: Oh. I'm uploading the video to Facebook right now. Okay, so yes. Okay, I loathe when they spring these things on me.

I'm Michele Neylon, I'm the CEO and founder of Blacknight. We are a hosting provider and domain registrar based in Ireland, which is the best country in Europe, of course. Sorry, Denmark. You're lovely, but no. I was involved with the training session

down in Paraguay before Christmas. Do you want me to speak in English or in Spanish? English is okay? Okay.

I'll do it English because my English is better than my Spanish, especially when I'm slightly hung over. So, I'm not 100% sure what I can really say to you about the European DNS market, so I suppose I'll give a few comments and thoughts. Realistically, domains by themselves, they're useless. That's the first thing I will say to people. Stop thinking about domain names. Nobody cares.

How many of you here have a domain name? Hold on a second. There are people in an ICANN meeting who don't have domain names? Really? The door is over there. Okay. How many of you have a domain name with no services? Okay, do you see a problem with that?

You can't do anything with a domain name without services. So, the key thing when you're talking about domain names is not to talk about domain names, really. You need to look at the services connected to them. So, this is things like e-mail, it's website builders, it's website hosting, it's setting up blogs, it's online marketing, it's adding other tools and other value.

For a lot of us in the hosting and domain business, we don't make a lot of money from selling the domains. The margin, the amount of money we make from selling a domain name is

negligible. We make our money primarily from the other services. My company for example, 70+% of our turnover is from hosting and other services, but 25-30% is just from the domains.

We have some clients who just register domains, but unless they add services to the domains, the domains aren't going to renew. So, for those of you who are in the registry business, you need to care about these things. Domain names without A-records, AAAA records or MX records, they will not renew, because you can't do anything with a domain name by itself. It needs something else.

In the European markets, you've got diversity, but it is dominated by some very big players. If any of you are interested in finding out about the European market and seeing who's active, come to WHD in Germany in a couple of weeks' time. Everybody will be there. That's my sales pitch for WHD, by the way.

These days, you've got some very advanced markets in Europe. So the UK, Germany, The Netherlands, the concentration of domain names per capita is very high. In other parts of Europe, say eastern Europe, central Europe, southern, it's developing still, but it's a little bit behind. Whereas Germany and The Netherlands is way ahead.

Broadband penetration in Europe is very high, across all of Europe. Some countries, it's really high. That's a terrible

sentence, I apologize. So, Ireland for example, our government would say that we probably are close to 100% penetration. The reality is though we still have small villages and towns where there is nothing. You're using like a mobile dongle type thing to get online.

The reason this is important, of course, is it has a direct impact on the kind of services you can sell. So, in a more advanced economy with higher penetration of broadband, it's easier to talk about cloud services, because you can use the cloud. All of you here are probably using cloud services. They're super useful when you have no Internet connection, aren't they?

It's like, working on it? No, you can't. You can't do anything. So, there are still plenty of opportunities for small companies such as ourselves to offer services that help to kind of bridge the gap. Like my company cannot compete against Amazon in costs for storage. We can't compete against GoDaddy directly in their marketing spend. We can't even compete against 1and1 in their marketing spend. But there are other things that we can do.

We're able to speak to our clients with a nice Irish accent. I know you think that's funny, but the reality is studies show that people will buy from people with Irish accents. I don't know why. Not my Irish accent, but anyway.

New TLDs I suppose I should mention since this is ICANN and everyone gets excited about TLDs. Reality, nobody cares. I'm sorry. In the European markets, the dominant TLDs are the local country codes. So, here in Denmark it would be .dk, in Ireland .ie, Germany .de, and then the second one would normally be .com. Other domain extensions? No. But .com is not king in Europe. Sure, it's dominant, it's got a big market share, but it isn't king. But you walk around the streets here in Copenhagen, or those of you who were in Helsinki, you see the local ccTLD. The ccTLD is normally king.

Now, the ccTLDs themselves, they all have different rules and registrations processes and policies, and some are super simple and easy, some of them are incredibly painful. Registering a domain name in some markets in Europe is more difficult and complicated than setting up a company. I wish I was exaggerating.

In some European markets, it's still very manual. Others, it's super advanced. So, the UK, it's instant. Denmark, not so much. In Denmark, they will send you out a physical letter, as in printed on paper, put in an envelope and sent through the post. Then you've other places like Germany and it's instant, simple. Not sure what else.

I'm happy to take any questions, and I have lots of fun with the Latin American, Caribbean group here. You're fun, plus I get to speak to you all in terribly accented Spanish, which is always fun. So, I've set it off. I don't know, is there anything else you want me to cover? Fine, okay.

RODRIGO DE LA PARRA: Thank you, Michele. This is excellent, because now we have room for questions and interaction. Let's see who will take the floor now. Mark.

MARK DATYSGELD: Rodrigo, can I ask general comments? I'm Mark Datysgeld from Brazil. I'm going to speak in Portuguese. Very briefly, I'd like to give an update to the community on an initiative, and I've been speaking on this initiative since Marrakech.

Last year, we started some basic Internet course in Brazil, and even though we have excellent Internet governance schools in Brazil like [Pont] BR, etc., our initiative was mostly focused on young people, university students, people who do not have any knowledge to be able to begin to work on this field.

Even the lessons were included and we have had three editions last year of this course, one in Sao Paolo, one in Buenos Aires and one in Montevideo with very good experiences, working

with students and people entering into these markets, people who did not come from a technological arena. And this was very interesting. So, we're thinking of continuing with this idea and for exporting it to other regions, especially focused on this non-specialized audience.

As in here for example in ICANN, we need people with some qualification, some degree of qualification. But in our courses, we cater to people who have no knowledge of the technological field. So, we have new and innovative ideas, and if anyone here would like to speak with us and discuss on different ideas, come over to us. We are very interested in discussing this over with the community.

We are very close to the ICANN community, in fact. So, thank you for your attention.

RODRIGO DE LA PARRA: Thank you very much. This is an initiative, a very nice initiative. I actually do recommend to get to know more about it. As Mark said, there have been three additions, and possibly we will have a fourth edition in Mexico. But I have a question, actually, for Michele, and then I think we can go on with Alexis and Esteban. So, let's give you the floor first. Esteban, go ahead, please.

ESTEBAN LESCANO: This is Esteban Lescano from CABASE, but I'm speaking in my own behalf. The question for Michele is, facing this very complex scenario that you gave us on the domain name industry, what are or what do you think we can do in the Latin America and Caribbean region to try to revert or to improve that situation? Is there really a possibility for development for companies such as yours, local companies with a perspective that is a very Irish perspective? Can we bring the same thing to our own countries? What can we foster from our own community?

MICHELE NEYLON: Thank you very much for the question. We always have possibilities. We need to think about what we have. I mean knowledge about the local market, about the characters, the players, the culture. Those things, because when you live there, you know that. Me as a foreigner, I can sell my services and products everywhere in the world, but I will never have the deep knowledge that someone living in Peru would have or in Chile would have, because I know Ireland.

So, I believe that is very important. When you see large companies such as GoDaddy, Verisign, all those companies, they work at a worldwide level. In the case of a company like mine, we are a small company. We have 40 employees, but we can work properly with such a small amount of people, and we can

provide a good service. I'm not starving, as you know. Perhaps in my case, that will not apply. But that's the truth, that's the real thing. You need to have the real knowledge of the local market and see what companies in the area requiring or requesting.

You don't have to think always of facing or competing against large companies with millions and millions of dollars in revenues, because they can spend that money in advertisements and in many other things. But we need to think about that thing of having those links, those relationships with local companies, with local groups, with people in the town, with companies in the town for example, with everyday people. You don't have to focus on large companies, because large companies in many cases will make decisions based on a headquarters, and that headquarter is not usually placed or in our country. Perhaps they are in Europe, they are in France, in the U.S. So, think about or focus on small companies such as the [inaudible] or as a company, small companies. When it comes to services, of course, we can discuss this.

But what about useful services? You don't have to think about domain names, because a domain in itself is useless. You have to think about what an individual needs or a small company needs. Services such as e-mail are always required. You also have to need to have a web presence, a useful web presence for the company. You have to provide information about the company.

That doesn't have to be very complex. You don't have to be Amazon or something like that. You have to think about simple things to begin with, and then you can develop services, more advanced and complex services. And in the end, of course you can get more money.

RODRIGO DE LA PARRA: Thank you very much, Michele. We have a question from the remote participation, and then I will give the floor to Alexis, Margarita and Vanda.

HAROLD ARCOS: We have a remote participation question, and this is from [inaudible] "In the Latin American context for new domain names, what are the main challenges that we are facing to enter the market?"

MICHELE NEYLON: Well, I think it's to get clients. If you don't have clients who are going to pay for your services, you don't have a company. That's it. Without clients, there is no company.

Okay, now, in the ICANN world, we all speak about registrars, registrants, the ICANN accreditation and all that stuff. That's very complicated, but most of the small companies offering

services in this world, they do not have to necessarily be ICANN accredited companies. They don't have to have a registry or be a registry, or to have that complex things. They can begin as resellers, they can start as small companies. They can offer or deliver services and also add something else, something new.

For example, we're Microsoft partners. Microsoft sells its services in all countries all over the world, but companies such as ours – well, we can add some services and provide those services together with Microsoft services. Office 365 is that but it's nothing new. But we are also offering the customer services from Ireland, for example.

.com is .com, but we can offer customer services in your own language for example, or you can provide those services from Argentina, from Chile, so that's very important, because we are adding value. We're adding value to the services. But the main way is to find customers, to find clients. And they must pay. Because otherwise, if they don't pay, it makes no use.

HAROLD ARCOS: Thank you very much.

RODRIGO DE LA PARRA: Thank you, Harold. Alexis.

ALEXIS ANTELIZ:

This is Alexis Anteliz from Venezuela. This is my first face-to-face meeting. I am a Fellow, and I would like to make a question and a comment, if I may, regarding Michel's comments. When you said domain names are not that important, and he was ironic when he asked who had a domain name. Well, my question would be, why? And according to what CENATIC was mentioning with that experience, you have a doubt. What about – is content the key issue for the domain name industry to create importance of domain names when it comes to services?

For example, when we are looking for training, we are looking for high quality training. Is there any relationship between a client not having the possibility of developing a service in relation to a domain name because that person does not know how to interact? And is there any relationship between the idea of having a domain name and the idea of having training? If domain names are not important, what is the most important thing there then?

MICHELE NEYLON:

Well, I always say that domain names are not important at all, and many people do not understand why I am saying that. But in fact is that the domain name is the key thing, it's the key way [rock]. It's where everything begins. Everything goes around the

domain. I'm sorry for the interpreters because I'm changing languages all the time.

The content is important, but the fact that we use a domain name – we are not always developing content. When we speak about content, people believe that that content should be quite complicated, and that is not the case.

Last week, [.ea] which is the ccTLD for Ireland developed and released a report on consumer trust in Ireland against companies having a digital presence. So, that was the first opportunity where I see reflected my ideas, my thoughts.

If you want to advertise your company and your services, you cannot do that using a free e-mail service such as Gmail, because every time you do that, you are advertising, you are promoting other brand. So, when you have your own domain name, for example .lab, .com or .pe or whatever, it's your own brand. And that is the important thing with domain names. It's a way of having your own name, your own brand.

So, it's by means of using the domain where you get things. That applies to e-mail, for example, e-mail services. But the domain in itself is useless. If you're not offering, if you don't have a service, what are you going to do with a domain name? You can't put that domain name on the wall of your building and say, "Oh, how nice this is. My domain name is such a beautiful thing. It has

letters, numbers, colors. It's an IDN? Wow, it's much better. I have an IDN. Oh, how good this is." It's useless. You have to use it. You have to use services and e-mail, for example. That's why Tony asked about the universal acceptance and accessibility. If a domain name cannot be used to use another service, well, I say I have this domain name, I have an e-mail, but I cannot use it. It is not working. So, this thing of the universal acceptance at the global level is really important.

RODRIGO DE LA PARRA: Thank you very much, Michele. Margarita?

MARGARITA: This is Margarita speaking. Apart from the universal acceptance, one of the reasons why IDNs in the different registries that are implementing IDN, particularly speaking in Spanish and in Chile, the rate of IDN TLDs is not higher than 2%. Basically, because they only work in URLs with websites, but there are no applications available to use IDNs so that universal acceptance is what would be supplementing this issue so that we can use special characters within the communities. And that is the added value.

Secondly, I do agree with Michele in the sense that the domain name is important, but it's an added value. It makes no sense to

have only a domain name, because you might be losing your identity you're trying to create when it comes to the market and to the clients, or when it comes to your community, depending on the content of the domain name. But then you search that on the Internet by means of a browser, and the domain name does not appear.

So, the idea is that there must be content, and what we should be promoting is the way in which people may access that content. Now, there are certain tools, easy tools such as WordPress, for example, that allow us to create webpages and add content by using your own domain names. And that is a very good asset, because that helps people to begin using domain names.

I had a question for Michele in relation to market. Do you have any idea or any opinions regarding – sorry. Many of my colleagues in the Latin America region and in the Caribbean region are starting to use a system for selling domain names not only at a local level but they're using registrars. So, my question is, the \$1 million question is, if we as ccTLDs, are we attractive as a market outside the region? And if that is not the case, what can we do about it?

MICHELE NEYLON:

That is a perfect question. Many of the ccTLDs in the region are not very attractive for us as registrars from the outside world, because we want product and services having an attractive price and systems that work. And the truth is that many ccTLDs in the region cannot offer that. Some of them might have that, they are improving, but as a whole in general terms in the region, well, you are having some problems. You are facing some problems in that regard, either when we speak about prices or when we speak about systems.

For us as registrars, what we want and what we need is registries working using EPP. We need to have easy EPP registration. This must be something simple without particular extensions. When it comes to policy, policy needs to be simple. In order to register a name, we need simple steps. You don't need to go or to resort to a lawyer for example to have more documents than the ones required. If I can sign that online, that would be great.

When it comes to prices, domain name price should be low. Not very low, I'm not speaking about 50 or 60 cents, I'm talking about a normal price. So, that is what we are observing. In our European markets, if the domain name price is very high, then the registrar may say, "Okay, we're selling a domain name which is special. That is a very particular, super special domain name for super special clients." But I cannot sell that. That's the truth.

So, I need to have domains with regular prices that can be paid by an individual or via company so that I can get my portion of that. So, if the wholesale price is \$10, for example, I can sell that domain name at \$12 or \$15. But if the wholesale price is much higher, for example, \$50 or \$100, that is really much more difficult for me to sell the domain name at a reasonable or interesting price, because for us, volume is important. We need to sell domain names in volume. That's it.

RODRIGO DE LA PARRA: Vanda?

VANDA SCARTEZINI: [You] got my question, but I have just one addition for these questions. Do you sell .ireland?

MICHELE NEYLON: There is no .ireland, but I do sell .irish.

VANDA SCARTEZINI: .irish, yes.

MICHELE NEYLON: I sell .irish and I sell .ie. We're currently doing a special offer, .irish for €1.99. Only for the next couple of days, so go to our

website. And it's open to everybody. This has been an advertising message brought to you by Blacknight, Ireland's leading hosting company and name registrar. Thank you, Vanda.

RODRIGO DE LA PARRA: Thank you, Michele. Oscar?

OSCAR ROBLES: Oscar Robles for the record. Thank you very much, Rodrigo. I am the LACNIC CEO. We're talking about numbers, but my comment has to do with the fact that the effort that we can do with the DNS in Latin America has to be divided into tools. On one hand, we have marketing. Perhaps with the nonprofit, and just to have the necessary exchange so that TLDs may work in the region.

So, in that regard, the report published by ICANN and LACTLD on the Oxford Information Labs, I think it's extraordinary as a source of information for the industry. Not only for LACTLD and the ccTLDs in the region, but this is a very good report that everyone must read for the ccTLDs in the regions, due to the amount of information and the depth of the topics being addressed. I believe that is a very good report, an essential tool for us to keep moving in terms of the DNS marketing.

And another important part of these – and [LACNIC] has a very important interest in this – is the DNS infrastructure.

Unfortunately, for the success of this infrastructure, the marketing is required, because without having proper marketing, without proper funding, we may be risking infrastructure. So, when it comes to infrastructure – I’m sorry, infrastructure is a quite complicated word to pronounce for Mexican people – so when it comes to infrastructure, we are putting attention there because this is part of the ecosystem. But at the same time, LACNIC has an operational part when it comes to the DNS resolution, in the reverse resolution in the DNS.

So, if we can cooperate and if we can promote these initiatives, or if we can promote initiatives for the DNS, for promoting DNS, okay, you can count on us. Last year on the IGF, we signed an agreement with the LACTLD project. This is to strengthen the DNS structure, so any similar initiative you have, we are willing to cooperate, we are willing to work on that. So, count on us. Thank you.

RODRIGO DE LA PARRA: Thank you very much, Oscar. We will probably take your word for projects that we may bring together. Now, we will give the floor to Javier.

JAVIER RUA-JOVET:

This is Javier Rúa-Jovet for the record, I'm At-Large and also ISOC Puerto Rico but I'm speaking on my personal behalf as a Latin and a Caribbean man. Of our Caribbean brothers, and we're also a Caribbean island. Michele, I appreciate your comment on the clients' issue, because if we look at the ICANN story, there are a lot of conclusions there, but the reality of Caribbean markets is that we are small populations.

There are mainland Latin America countries like Uruguay that has some small, like Puerto Rico population below 4 million people. So, I appreciate that comment because it goes to the crux of the diversity of the region. So, there's not really one-size-fits-all strategy in terms of how to market in small markets, and there's a very limited number of potential clients. If you can comment on that.

But I also want to make you another question regarding your kind of late motif regarding the relevance of domains. What do you think is the future of domains, or whether domains are somehow threatened by the rise of the app? Or is this completely irrelevant?

I don't say anything like Google, because what they do is organize domains. But is the rise of the smartphone app as the access to the Internet, do you see that eating into bottom lines

of your business? Or is this completely a complement? Or what's your take on that? Thank you.

MICHELE NEYLON:

Thanks. Oddly enough, I never get asked that question. No, I'm joking. Two questions. First, okay, on the market size, you have to put it into perspective. Ireland for example, small country, population of about six million. Birmingham in the UK has a population in excess of six million. That's one city. I have about 40 staff, and as you can see I'm not starving. You don't need to have millions of clients to carve out a business that actually makes sense.

In this space, the kind of digital space, you don't need to have a staff of thousands to serve quite a large client base. Sure, it helps, but they're expensive. Staff costs money, by the way. Computers cost less. So if you can automate, again, this reduces your costs, which is why – put pressure on the ccTLD people to switch to EPP. EPP good, everything else is bad.

But that's just on the market thing. Future domains. Well, yes. Apps, Google, Facebook, these are all threats. I don't know how big a threat they are, I don't know if you can kind of translate the Google and the Facebook effect into millions of domains lost or anything like that. I honestly don't know how you'd do that. But the reality is if you're looking at any kind of business that's any

way serious, they're going to need to have their own e-mail, they're going to need to have their own offices. They're going to need to have all these other things.

You take any mobile app. Mobile apps – sure, you might go to the Apple iTunes store to search for the apps, but the services that those apps are connecting to live online somewhere. Most of the more useful apps you have on your mobile device connect to something else. They don't do anything on your actual device, they're talking to something else. So, if they're talking to something else, then that means that they're consuming servers, they're consuming bandwidth, they're consuming resources. So, there are opportunities there.

A lot of our clients, for example, are in that space. I have absolutely no idea what the hell they're doing, because unless I get a cease and desist or a court order or something like that, all I see is that port on that server did so many megabits of traffic. I have no idea what they're doing. But I do believe some of them are in the online gaming space – which is legal in Ireland by the way – some of them have random number generators. I know others are doing stuff in gaming in terms of mobile games. It's going to give you challenges, but there are still opportunities.

Also, as well, it's really hard to advertise your mobile app unless somebody can actually find the damn thing, and domain names

are really useful for pointing people to things. Ultimately, that's where it all came from.

Forget about gTLDs and all the fuzzy rubbish. Just think about it this way: nobody is going to remember an IP address. IPv4 was a limited number of characters. How many of you have memorized an IPv6 web address? Apart from Oscar, of course, because that's what he has to do. That's what domain names are useful for. So, if you're doing advertising, both online or offline, domain names are helpful as pointers. So, I think there are opportunities there. But ultimately, don't focus on just selling the domains.

RODRIGO DE LA PARRA: Thank you, Michel. Probably, we'll still have a job.

MICHELE NEYLON: It's okay, we love you. We'll hire you.

RODRIGO DE LA PARRA: [inaudible]

ASHELL FORDE: Hi, my name is Ashell Forde. I am a first-time ICANN Fellow. I'm from Barbados, and I have a question for Michele. You expressed the opinion that ccTLDs from the region aren't really attractive

to registrars, and if I can paraphrase, they are too expensive and too complicated to register. So, my question to you is, are there any ccTLDs that are doing it right in your opinion? Of course, besides .ie.

MICHELE NEYLON:

Did she say that .ie was doing it right? Oh, I have to be careful what I say because this is being recorded and they might sue me, so I won't say anything about that. But I can say to you that .ie is not doing it right. ccTLDs that are doing it right, making it simple. .me, which is the country code for Monte Negro which his part of – former – it's a country that came out of Yugoslavia when it broke up. I can see somebody across the table is going to get very upset with me if I don't say .co. A lot of the country codes that have kind of gone down the kind of .com business model in many respects. That does not mean that you are giving up your national identity or culture or anything like that, it just means you have adopted simple, straightforward policies that you don't need to have a legal degree to read.

Technically speaking, the implementation is straightforward, it's EPP, registrars of all shapes and sizes can talk to that simply. The pricing model means that it's attractive for people to sell to business and to individuals.

Now, the counterargument you will get from the country code people – and I can hear them actually thinking this now – is “Oh, but we want to do these – we’re a not for profit and we want to do all these wonderful things for the local Internet economy” and everything else. My answer to that is very simple. Sell more bloody domains, you’ll have more money. So, put pressure on them.

In the Latin American region, .mx is kind of pretty much 100% automated. .co is – there are a bunch of small ones who are on the [COCA] platform who are pretty easy to deal with. But a lot of others, I know that they’re looking at moving in that direction. And they’ll get there eventually, but encouraging them to get there faster doesn’t hurt. Ultimately, if they don’t get there, then they’re going to be rendered irrelevant, because people will just register domains in other TLDs. Does that answer your question?

ASHELL FORDE: Yes, thank you.

RODRIGO DE LA PARRA: You did answer it, and you even left more questions. But there are still people waiting here for the next meeting. Thank you very much, Michele, for being here, and thank all of you too.

Vanda still has a presentation. She's going to say goodbye very quickly.

VANDA SCARTEZINI:

What's important here is I'm going to share this presentation because we have an ALAC meeting in this same room. So, I'm going to share this. I'm trying to have a webinar with him on a study we conducted on new gTLDs in the region. So, once all of this is ready, we will send the information to the whole of At-Large, and you're all very kindly invited to participate in this webinar.

I'm going to present this information, and I will very probably present in English or with some captions, or maybe in Portuguese and we can even have English, Spanish and Portuguese. So, we can actually reach the whole region.

So, thank you very much for everything. Thank you very much for your presence. We hope that we can have all of your support to continue this network that is functioning very nicely. So, this should be it. [See you at the] next event. Thank you.

[END OF TRANSCRIPTION]