
JOHANNESBURG – GAC Session on the CCT Review Update

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CHAIR SCHNEIDER:

We have to immediately go over to the next session, of course. So I had Jonathan has been waiting already for some time, so sorry for the delay. Let's get the vice chairs up again and our support staff.

This is about the -- Yeah, come here.

So please take your seats, and let's...

Nice shirt, by the way.

So, yes. So we have a few member of the review team on competition and consumer trust, I think, or choice and trust is the full name, and of course also its chair, Jonathan Zuck. So let me, for the sake of time, give the floor immediately to them. Just maybe recalling that we made a contribution in that public comment period as the GAC with a number of issues that we fed into the process. And of course we would also be eager to hear what happened to these or whether these were taken on or consensual with others, or, if not, which ones maybe.

Thank you. So the floor is yours Jonathan.

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.

JONATHAN ZUCK: Thanks, Thomas, and thanks for being here and staying awake after lunch. We appreciate it.

We are the CCT Review or a subset of the CCT Review Team, and as you know, we released an interim report for public comment. And among the comments and among one of the more comprehensive comments was from the GAC, which we appreciate very much. And we are in the process of taking on board those comments and suggestions from the GAC.

We want to make this session as interactive as possible, so we'll keep our talking to a minimum, but let me hand the mic over to Laureen Kapin of the FTC to say a few words on the safeguards issue and to Jordyn on the competition issues, and then we'll open up for Q&A. Thanks.

LAUREEN KAPIN: So I want to reinforce our appreciation of the GAC's feedback which was generally very, very positive, and we appreciate the support. We're really trying in this report to hone in on data which gives us insights into the levels of trust that the public has for the new gTLD program, and also identify the data which points to certain challenges in terms of DNS abuse and the safety of the public more generally online. And we're very excited that the DNS abuse study has come out in its first iteration. It's an intermediate report but it already is giving us

some very important insights into the way abuse is shifting from the legacy space into the new gTLD space in certain aspects. So we're expecting a final report on that topic to be coming out in July from our group of researchers. So that will be very, very interesting for us to exam and consider in terms of how it may affect our recommendations.

So that's sort of a high-level overview, and I'll pass it on to my colleagues now.

DREW BAGLEY:

Hi, this is Drew Bagley, and I just briefly wanted to speak about the DNS abuse study. So I encourage everyone to pay attention to that. The final report should be coming out in about a month, and the few highlights we have so far is that, surprise, abuse has not disappeared now that we have the new gTLD program. And also, certain types of abuse may, in fact, actually be higher in the new gTLD program whereas -- or in new gTLDs whereas others may not be. So there actually are a bit of nuanced distinctions we believe we're going to see as we get the final report.

JORDYN BUCHANAN:

Thanks, drew. And I'm Jordyn Buchanan. I, along with Lauren, chair one of our subgroups. So I chair the subgroup focused on competition and consumer choice versus the customer trust and

safeguards group that Laureen chairs. And the one, I guess, significant focus that we've had in the area of new data that we've been looking at since the publication of the initial report has been in relationship to parked domains. I think we noted in the initial report that parking of domains was a significant phenomenon and we thought more common in new gTLDs than legacy gTLDs, but we didn't yet have any data about the prevalence of parking in the legacy gTLDs.

Since the publication of the initial report, we've actually gotten some data on parking rates in legacy gTLDs, which did confirm our finding that -- our intuition that the parking rates were higher from -- in new gTLDs than legacy gTLDs. It's about 20% higher as an overall rate. However, we've been trying to dig in a little bit to understand what the implications of that might be. And so far, we're coming up a little bit dry, I guess, in that category. So, for example, one thing we thought we might be interested in looking at is whether a high parking rate in a TLD would result in lower renewal rates in that TLD, and therefore, you might look at a TLD and see it has a bunch of domains but in the future, it might not. The number of registrations might not remain so high. But we've done an analysis with ICANN looking at renewal rates and parking rates and weren't able to find a correlation there.

We did see as part of the -- The researchers working on the DNS abuse report did find some sort of correlation between -- a light correlation, I guess they would say, between parking rates and DNS abuse rates. So that's something we're digging into a little bit more. But that's probably the one big area that you'll expect to see additional data coming out as part of the final report in -- in the area of competition and consumer -- consumer choice.

We did also get input in the public comment period on some of our findings in this area. Some of them from the GAC and also, for example, the U.S. government in particular provided us with some feedback about how to sort of think about some of the competition-related issues that we'll be addressing as well.

JONATHAN ZUCK: So really what we'd like to do is open it up for discussion in the -- in the time that we have left, if folks have questions.

UNKNOWN SPEAKER: Hi, thank you. This is very interesting. I just wanted to pull out a question to at least one reference that was in the initial report, and it refers to the two goals of competition and also mitigating DNS abuse, but also seeing them as perhaps competing goals. I was just wondering if you could expand a little bit on how the group is looking at that issue in terms of, you know, introducing

new TLDs. It's great from a competition perspective, but you're also introducing potentially DNS abuse.

I was just curious as to how to kind of recti- -- like, I'm not saying you need to rectify those two goals, but how you kind of see them playing out in the future.

JONATHAN ZUCK:

Well, Jordyn may have more to say, but ironically, the competition that's been introduced for DNS abusers has been for where to do their work as opposed to leading to an overall increase in various forms of DNS abuse. In other words, the rates of abuse appear to be fairly constant for spam, for phishing, and for malware. And so what we're looking at is in certain areas, particularly spam, there's a propensity to move operations over to the new gTLDs which may be linked to price or something like that. We're looking at that. But the overall rates are not increasing. So it's not as though it created more bad actors by introducing more competition. So in that sense, I don't see a tension between competition and DNS abuse mitigation.

JORDYN BUCHANAN:

Yeah. It's Jordyn Buchanan. I'll just add, you know, there's other types. I wouldn't necessarily limit ourselves to just talking

about abuse. I think we view our charter at a high level as being trying to take a look at the -- both the costs and the benefits of the program and to roughly put them on a scale to make sure that the program has had more benefits than cost. So there's other types of cost. For example, some things we're looking at are costs to trademark holders which you know they might view as a form of abuse. We don't sort of put it in our framework of, quote, unquote, "DNS abuse" but, you know, there are additional costs that trademark holders are incurring. So one of the other pieces of data that will be added to this final report is that the -- that INTA did a study of its members to try to understand better the costs of trademark enforcement and defensive registrations and so on in the program. And I think the initial finding there was that there was an increase in cost to those trademark holders. So that would be the sort of cost that we would probably have to weigh against it as well.

I think at least as to the initial report, I think our general sentiment was that the -- you know, on balance, it looked like the negatives had not been identified as being significant whereas we did see good progress on both competition and consumer choice. But ow now we have the DNS abuse report and we have this INTA study that may -- you know, that we'll have to evaluate as we think about what that balancing test looks like.

JONATHAN ZUCK: Indonesia, please.

INDONESIA: Thank you. It's very interesting to see how the competition, consumer trust and choice is developing. And I just want to see also, because you mentioned it is not related directly to DNS abuse, but when a consumer would like to use a particular gTLD, for example, or particular website, he will -- he or she will also look at how safe is the -- how safe is the system, whether it is easy to be abused or it is easy to be penetrated or easy to get virus. Whatever, you know. And it will then relate it to prices.

It is useless for me to get the -- to what you call it? To use a cheap price top-level domain if it is not so safe, and I better pay a rather higher price for safe one. So I think in this type, it is also related.

The other one is that during the previous presentation on the -- on the DNS abuse, one of the questions is coming about the illegal content in the particular domain. For example, one of the questions say does the health index or something look after the illegal content in particular system, in a particular electronic system offered to the public.

In this case, it is also possible that if a particular country see a particular website is full -- is full with content applications, which is not -- which is considered illegal or blasphemy to that particular country, so it is possible that in that particular country, the market for that particular country will be going down because people doesn't want to pay for that particular top-level domain because it is -- it is full with content which is not good for the country.

So in this case I think when you are talking the price many aspects has to be reviewed and it has to be more comprehensive studies, taking into account not only the economic side, also the technical/security side but also the social sides. As a matter of fact, today, social media has already caused many problems in several countries and the government has to take into account and to propose, say, the people, not do -- don't use that particular sites because it is full with content which is not good for our own country. So this kind of thing that perhaps they can take a mental count for the -- for the consumer trust (indiscernible). Thank you.

LAUREEN KAPIN:

Thanks so much for your comments because I think you really marry up an issue that the representative from the United States identified and that's the connection between competition and

protecting the public. And I think one of the points you were just telling us is that one way for the DNS players to be competitive with one another is to promote the safety of their particular TLDs, that that is actually a competitive edge, to have a safe environment for the public to be able to use. So I think that's a really important point that certainly the review team is aware of, and at the end of the day I think it's in everyone's best interest to create the most competitive and the safest space and those goals are not contrary, they really are in sync with one another.

UNKNOWN SPEAKER: Netherlands, please.

NETHERLANDS: Yes, thank you. Just referring to the point of metrics, I think we have now seen also -- you mentioned the outcome of the abuse report and what I would like is to stress the importance of metrics and regular reporting because probably it works better, that's my assumption, it works better than only have a compliance and have articles and you should comply. I mean, having reporting on new registries, also on specific registries, introduces all kind of peer pressure. I mean, it introduces transparency. Everybody can see okay, this registry is -- has a lot of parking pages. Well, that's not abuse but has a lot of other kind of abuse. So I think it's -- it's really -- it's a good instrument,

which we also in the Netherlands use to -- to have incentives to access providers but also do the hosting parties in order to -- to act upon this.

And I think secondly, but it's maybe not within your remit, in the end, what I would like to see or also what we have in the Netherlands is that registries really introduce the kind of system in which they inform each other, the action reports. They have a kind of core of conduct, if I get an abuse report I will act within 24 hours. It's a little bit in line with the PSWG recommendations. So maybe it's not in your scope, but I would hope that you recommend such a thing maybe in your review. Thank you.

DREW BAGLEY:

Thank you for that comment. Yes, from what we've already recommended in our existing recommendations and ones that I'm sure will likely carry over even if they're tweaked as we analyze the data is that we believe that regular studies and regular reporting in general is a good thing for the community for transparency and furthermore for accountability. And so something that we're very interested in, even for future review teams, is for there to be a repository of data that already exists so that every review team doesn't have to go back and individually commission studies and look back. And we think a lot of this stuff should be done on a regular basis to inform

policymaking and accountability. So thank you very much for those comments.

LAUREEN KAPIN:

And just to follow up in that regard, we're particularly pleased to see ICANN's own internal efforts that are already underway in this area. The domain abuse activity reporting initiative and the health index are just two examples of where ICANN is really focusing its resources and data gathering efforts in ways which we hope will then be reported out to the community. So there's the sort of transparency that you just mentioned that the community and operators in the domain namespace can then act on to raise the level of safety and good practices within the entire system.

JONATHAN ZUCK:

Yeah, and I'll just add briefly, I think policy and strategic activity within the organization needs to be more dynamic than it is. We put a reform in place and then five years later we review how it went and three years after that we implement something new, and I think the presence of ongoing data collection means that you can have a more dynamic implementation of reform and make course corrections as you go along to see if the things you recommended are actually bringing about the change that you sought. And so a big part of our recommendations are about the

ongoing collection of data in a number of different areas and including raising the profile of data collection within the organization so that it can be used as a dynamic tool for the implementation of organizational change.

THOMAS SCHNEIDER: Maybe just one thing more is like the way forward. So what are the -- to the extent you haven't already answered this in some question. What are the next steps, what are the timelines, what do you expect -- and, of course, what do you expect the outcome of this to be in the sense of what are you are hoping ICANN to do as a reaction of this report, or if you dare to go that far with your -- with you first speculations. Like, what can we expect of this process in the near future to happen as a result of this would be my question.

JONATHAN ZUCK: Thanks for the question, Thomas. As to what I expect ICANN to do, I hope throw some kind of party or something like that when the report is done, should be the reaction obviously. But as we said, it's about -- the word "regulation" gets thrown around a lot in ICANN discussions, and it's a very loaded term, as everyone in this room is aware. And finding the sort of middle ground between a kind of laissez-faire and the dark shadows of regulation I think is the objective here. And in so many areas it

appears -- it looks as though ICANN should be better informed about the dynamics of the marketplace, the efficacy of individual safeguards. And so looking at how policies are working in the field in a more specific way and in a more dynamic way I think has ultimately got to be the objective of the organization. Awareness, which is what will allow the community to kind of constantly reform itself toward improvement is -- is the objective overall, and I think something that we really landed on in our report is that more information means better, you know, tools, if you will, to bring about continuous reform. And that's -- that's got to be our goal. I mean, after the transition and the new accountability frameworks that were put in place, knowledge becomes critical to the community's empowerment. And so the acquisition of data is critical to that knowledge, so that we know that the things that we are doing are actually working. And so that's what I hope the outcome of this review and other reviews will be.

CHAIR SCHNEIDER:

Thank you. And before you go, another question. As we know that this -- the findings of your team are also very important for the discussions about the preparation of future rounds of gTLDs. How will you feed this into the subsequent procedures processes? Thank you.

JONATHAN ZUCK:

So we've been working in conjunction with the subsequent procedures working group from the start. Two of the members of the review team are also on that working group, and we've been in constant communication. As you go through our recommendations, the intended actor, if you will, or implementer of that recommendation varies. It can be the organization, ICANN staff, or the subsequent procedures working group. So there's some areas where, for example, what to do in underserved regions of the world where we looked at what some of the shortcomings might have been for the outreach program that took place for the new gTLD program and looked at what some improvements might be but thought that as a review team it isn't our job to define what the objectives should be. So, for example, one of our recommendations is for the community, probably through the subsequent procedures working group, to define some clear objectives for engagement on the part of underserved regions. Is it more applications or is there some other measure that would be better. And if we want more applications, we made some recommendations for how the outreach program might have improved.

So, I mean, hopefully we'll be involved, everyone in this team will be involved in the implementation of these

recommendations and in the policy development that comes as a result.

CHAIR SCHNEIDER: Thank you very much for these -- I have another hand to my left from Mark from the U.K., so please one more, and then we need to wrap up and move over to the next issue. Thank you.

MARK CARVELL: Yes. Thank you, Chair. Sorry to sort of butt in pretty much at the last minute on this. But I just have a specific question relating to one of the recommendations, 48, concerning community-based gTLDs and the call for a thorough review. If I recall the recommendation, the basic point in that recommendation, as that. Do you have any thoughts about how that review would be conducted? Would it be within the PDP on subsequent procedures or some other format or forum within the ICANN community? Thanks. Hopefully it's a quick answer.

JONATHAN ZUCK: Thanks for the question. At the outset, and knowing that we were operating in parallel with the subsequent procedures PDP, we sort of picked areas of focus, and I would say that the -- you know, we looked at sort of potential areas of inequity in many respects as opposed to all of the details of the application

evaluation process that the sub-proc team is going into in great detail. And communities was one of the areas that we left firmly in their -- in their purview because in some measure again it's a - - it's up to the community to decide what the objectives should be surrounding community applications. And so I think that review will take place within the sub-proc working group, and again, if there's a decision to move forward with a community-based distinction for new gTLDs, that some new policies will have to be developed there because there was such a lack of success in that area in the first -- the most recent round.

CHAIR SCHNEIDER: Okay. Thank you all very much for this, again, very useful exchange. So we are hoping that these findings will make their way into these fora where subsequent procedures and other actions will be discussed. And we are waiting to see the final result.

JONATHAN ZUCK: Thank you for your time.

CHAIR SCHNEIDER: Thank you.

With this, we will move on to the next issue and let me ask Tom and Olof and all the rest of our support and vice chairs to come back to the -- it's not a stage, as Olof has said. It's just a table or a row of tables.

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