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UNIDENTIFIED FEMALE: We have Jordyn Buchanan, Stanley Besen, Waudo Siganga, Kaili Kan, Margie Milam, [Aleesia Sopian], and Jonathan Zuck.

UNIDENTIFIED MALE: Perfect. People that have the Google Doc should probably open it. Since we don't have any way to project ...

UNIDENTIFIED FEMALE: [inaudible].

UNIDENTIFIED FEMALE: Yeah.

UNIDENTIFIED FEMALE: [inaudible].

UNIDENTIFIED FEMALE: [inaudible] right now.

UNIDENTIFIED MALE: Okay. I should make a domain name for this. CompetitionAndChoice.doc.

JONATHAN ZUCK: CCPRT is a pretty easier one to ...

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UNIDENTIFIED MALE: Yeah, but we just want our specific doc.

JONATHAN ZUCK: Oh, I see. [What if] we end up doing more than one doc, though? I guess we might.

UNIDENTIFIED MALE: Right, well, we could have a separate domain for every doc.

UNIDENTIFIED FEMALE: Oh, the possibilities.

UNIDENTIFIED MALE: I'm proposing we spend ... I have a pretty hard stop at 2:30, when our break is happening, so I'm going to make sure we plan that. Therefore, I propose we spend the next 50 minutes, once again, continuing to work through the data acquisition part of our exercise. Then, the remaining 30 minutes, I want to start to talk about our overall work plan and how we think we're going to sequence our work. Then hopefully we can use that to report back to the other group, and see how well the overall work plans are aligning, although it does seem, based on our discussions this morning, that we're likely going to need to consider, at least a little bit, what the subsequent procedures PDP is doing, as well, as we think about how to sequence the work of the other group. We should at least come up with some sort of strawman that we can work off of.

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JONATHAN ZUCK: It's just maybe the start date that moves or something.

UNIDENTIFIED MALE: Yeah, exactly.

STANLEY BESEN: [inaudible]

UNIDENTIFIED MALE: Oh, no. Stan raises a really good point. Actually, let's spend a few minutes at the top talking about our community engagement and whether there's topics that were highlighted in the community engagement that we want to add to the scope of our work. I actually have one other prioritization suggestion, as well, but let's get there in a minute.

In the community engagement session and previously, Jeff Neuman had suggested that we add the topic of vertical integration and its effects on competition to our analysis. I think that's a good suggestion. Does anyone disagree that we should add that?

STANLEY BESEN: No. I'd like to talk a little bit about the implications for data and analysis and that sort of stuff, if that's appropriate.

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UNIDENTIFIED MALE: I'm going to ask you to hold off on that because we'll figure out where to put it, and then we get to that part of the doc, then we'll work through it. I guess my question is, do we think this is just a subtopic under the registrar competition topic, or does it deserve its own heading of some sort?

STANLEY BESEN: I think it's related to the issue of competition among registrars.

UNIDENTIFIED MALE: Right. That's my impression, as well, so I'm going to add it as a subtopic under the competition among registrars question, then. We already had a discussion on the impact of the number of registrars, and now we have effects of vertical integration. That's topic number four for us to get to. We're in three, so we're going to get there soon.

Were there any other ... Go ahead.

UNIDENTIFIED FEMALE: I have one down. Looking at the applications in sectors, like shopping, boutique shops, but I think we already [inaudible]. I just want to make sure everything's covered.

UNIDENTIFIED MALE: Yeah, that's in our topic three, which is the definitions of relevant markets. We don't specifically talk about sectors. Stan pointed out yesterday, Analysis Group already did that in their report, so I'm not

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sure we need to call it out, but we can go ahead and add it to the doc.  
Do specific sectors or clusters of topically related domain names for  
TLD's former market? Is that the question?

UNIDENTIFIED FEMALE: Right.

UNIDENTIFIED MALE: All right. I've added that.

UNIDENTIFIED FEMALE: Then right after that, there was something, the value of going first.

UNIDENTIFIED MALE: That's actually an interesting ...

UNIDENTIFIED FEMALE: [inaudible] touched that. It sounds like it's a competition issue. It's the first one.

UNIDENTIFIED MALE: Yeah, it is.

UNIDENTIFIED FEMALE: What's the issue?

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UNIDENTIFIED MALE:            Either a first mover advantage.

STANLEY BESEN:                Or the first mover advantages/network effects.

UNIDENTIFIED MALE:            Is that a standalone question, or do we add that to one of the ...

STANLEY BESEN:                Competition among the registries.

UNIDENTIFIED MALE:            Right. Our two questions on competition amongst registries are the price competition and non-price competition. This presumably could apply to either one. Therefore, do we just add it to both, or do we have a separate heading that's just talking about ... It seems like a bit much for a separate heading.

STANLEY BESEN:                I think if we analyze how competition occurs, at least for me, that would be one of the obvious issues to analyze.

UNIDENTIFIED MALE:            Right. I'll add it to both for now.

Sorry. Anything else, Margie?

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MARGIE MILAM: Yeah, I have a couple more. [inaudible] in the session.

UNIDENTIFIED MALE: That's good that someone was.

MARGIE MILAM: I was just trying to capture issues that I didn't think we might be addressing. It was an odd comment, but it related to advertising, if you will.

UNIDENTIFIED MALE: That was the one, I think, that was really more about safe ...

MARGIE MILAM: You think that that's a safeguards issue?

JONATHAN ZUCK: That was Aaron Pace's comment from the Adobe Connect that said that false advertising was a big problem.

MARGIE MILAM: No, I was thinking more like what funds the market is the pay per click. Maybe I was looking at it from a completely different perspective. Advertising revenue and how that affects the market and whether that's

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anything to be concerned about or not be concerned about. I don't have any conclusions about that.

JONATHAN ZUCK: It's the second time he asked it, right? He was in our chat up in the room, and I thought it was something like fraudulent advertising.

UNIDENTIFIED MALE: Yeah, that is what he said. He said, "One of the biggest problems for consumers is fraudulent advertising." I think that is a consumer trust issue.

UNIDENTIFIED FEMALE: Would you like me to read his?

UNIDENTIFIED MALE: Sure.

UNIDENTIFIED MALE: Data.

UNIDENTIFIED FEMALE: This was Aaron Pace's comment from yesterday. "The biggest issue that consumers are dealing with over any TLD are abusive advertising practices. Everything that this group is trying to accomplish can easily be done through my work. Please take a look at it closer."



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JONATHAN ZUCK: That was the first one.

UNIDENTIFIED FEMALE: That was the one during here.

JONATHAN ZUCK: That was the one during here. I don't know what abusive advertising practices are, or whatever it is.

UNIDENTIFIED FEMALE: I don't think he really defined it.

UNIDENTIFIED FEMALE: That's division in frame.

JONATHAN ZUCK: I think that's right. I think that's for the other group.

UNIDENTIFIED FEMALE: Okay, so [I put that].

JONATHAN ZUCK: Maybe send a note to them, in case you're the only one who took notes to add it to their discussion.

UNIDENTIFIED FEMALE: Okay. Then the last [inaudible].

JONATHAN ZUCK: The other thing that Jeff brought up, and there was a little bit of a litany field to this, which is, here's all the barriers you threw in front of us to bring our TLD to market under the rubric of trust. Again, this might be trust to some extent. Did they, in fact, work? One was domain collisions, for example, which I think is mostly a security and stability issue, but maybe minorly, a trust issue, so that might also go into a note to Lauren. Were there other things like that? I think it was like, "And then you made us do this, and then you made us do that. Did that work?" It was one of his themes.

UNIDENTIFIED MALE: I think that all of his stuff fell into the other ...

JONATHAN ZUCK: Safeguards, right.

STANLEY BESEN: I think that was mostly about the application process. Is that wrong?

UNIDENTIFIED MALE: Sort of.

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UNIDENTIFIED MALE: It was in between the application process and [inaudible].

JONATHAN ZUCK: That's right. He was airing some laundry at the same time.

UNIDENTIFIED MALE: He was like, "You made us do all these annoying things. Was it worth it?"

JONATHAN ZUCK: Exactly, which is a completely legitimate question.

UNIDENTIFIED MALE: [inaudible] the application process.

UNIDENTIFIED MALE: It affected the application process, but with the intent of either enhancing consumer trust or security and stability. The security and stability one's probably out of bounds for this review, but the consumer trust elements are probably in bounds, but not for our subteam.

UNIDENTIFIED FEMALE: Somebody raised that in a .com renewal, there was a report from the DOJ on the market.

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UNIDENTIFIED MALE: That's the one that Stan's already ...

UNIDENTIFIED MALE: Yes. It will come up.

UNIDENTIFIED FEMALE: I just want to make sure we have an [inaudible].

STANLEY BESEN: Going back over things that people have written, including the various reports done for ICANN, there's a filing by DOJ to NTIA. I think Jeff said it was 2006. The bottom line was they defined the market as each individual TLD. That's not gospel.

UNIDENTIFIED FEMALE: I just want to make sure we captured that in [inaudible] and such.

UNIDENTIFIED MALE: I was going to say maybe we can add that to the background materials.

UNIDENTIFIED FEMALE: I think I might just [inaudible].

STANLEY BESEN: I found it because it's actually cited in one of the reports that we had done for you. That's where I found it.

UNIDENTIFIED FEMALE: It's not part of the [Sectum] plan.

That's all I have on competition. I'll send an e-mail to the other team on the other one.

UNIDENTIFIED FEMALE: Can you send me what you have to make sure I'm [inaudible]?

STANLEY BESEN: If you send me something that you found.

UNIDENTIFIED FEMALE: I thought you just said you found the report.

STANLEY BESEN: I'm an economist. I do things with fair exchange, in official transactions. I can put it on your tab if you like.

UNIDENTIFIED FEMALE: How am I paying?

UNIDENTIFIED MALE: Data.

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UNIDENTIFIED MALE: Future findings.

UNIDENTIFIED FEMALE: [inaudible].

STANLEY BESEN: Okay. Yes, good. I will. Probably not until I get home, though.

UNIDENTIFIED MALE: Okay, so we've added a couple of elements to our topics of interest. The one other thing I was going to say is when we talked about demoting the universal acceptance topic to lower priority, we did so with the rationale that essentially, we only really cared about this if, in fact, we found that we weren't increasing competition. I would say that same exact rationale applies to a topic we left on the high priority questions, which is, are consumers sufficiently aware to allow for competition?

JONATHAN ZUCK: Agreed.

UNIDENTIFIED MALE: If we find that there is competition, we don't need to get to this question, I don't think. I'm inclined to move that down to the lower priority questions, as well. Does anyone disagree with that approach?

All, right, I'm going to move that down.

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JONATHAN ZUCK:

Some of this is relevant to the conversation that we just had with Bruce, which is the degree to which we have overarching considerations. Whether or not it's in our mandate or not, our group [inaudible] to have some rough consensus that we want to better serve the developing world. That seems to be something for which there's a constant refrain in our review team.

To that end, we could make a finding that competition was promoted, but that that other thing didn't happen. People being sufficiently informed could have a geographical bias and things like that. That's the only issue. We set it as one of the top level questions in the application and evaluation process because it fell into the rubric of equality, but here, it's a question of whether it falls under the rubric of objective for the future.

Even if we agree it wasn't one in the past, if we have this bias that we want that to be an objective, should it then go higher or at least be mentioned somehow as one of the high level ... Is the competition that was created geographically dispersed or something? Because competition could happen just in Canada. The question is, is there a way to express that objective of our team to make sure that the definition of a competition includes a wide competition somehow?

UNIDENTIFIED MALE:

I think this is actually more relevant to the choice conversation. We do actually ask in choice whether consumers in different places ...

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JONATHAN ZUCK: Right, but if we're talking about competition between providers and registry service providers and things like that, it applies in competition.

STANLEY BESEN: I think of it as like a non-economic objective of the process.

JONATHAN ZUCK: The best way to provide choice for them may be from TLDs that are housed in Massachusetts.

UNIDENTIFIED MALE: Sure. Yeah, you're right, but as we said yesterday, we're talking about where the TLD is targeted at, not where it operates.

JONATHAN ZUCK: I don't know whether we want to move it into competition, as well, as an objective.

STANLEY BESEN: An alternative is, as I understood the process, some entities could get subsidies for application, but apparently that process didn't work very well.

JONATHAN ZUCK: Which implies an objective to incorporate, even though it wasn't ...



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UNIDENTIFIED MALE: If you actually looked at the policy language on the subsidies, it was very strange. It said, "ICANN may create a program that lets people buy subsidized." I think that was an optional element of the program.

JONATHAN ZUCK: [inaudible]. Right.

UNIDENTIFIED MALE: It's subjective, right?

STANLEY BESEN: If you want to think of analogies from telecom, one of them is the FCC provides subsidies to carriers in areas that are high cost to serve, which would tend underserved, if left truly profit-making firms to do so. You have to subsidize it. Another one which is actually in the news right now is an attempt to subsidize users who would ordinarily not be able to afford broadband connections. Subsidies might be the go to carrier or to [inaudible] consumers.

JONATHAN ZUCK: Which is, again, focused on the economical welfare question of choice, to take the analogy back to our work. I guess my question is, do we also place a value on the operators themselves coming from those communities? Because that will mean that they end up participating in the Registries Stakeholder Group, and that the entire process of policy development is more informed by a greater geographic and economic distribution. One way is to frame it just as a choice question and make

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that the sole economic good. The other is to say that the competition or service providing market is something we want to see broader geographical distribution of, or something like that.

STANLEY BESEN: So two different questions.

JONATHAN ZUCK: Right, exactly. I'm saying they're two different ... Choice is one, and the other is competition. Do we want to add it to competition? That's the question I'm asking. It feels like the group would like that to be the case.

UNIDENTIFIED MALE: Yeah. I'm just trying to think through. Otherwise, if we're trying to get it, "Did the application serve applicants from the developing world?" It would be odd to care about the answer to that question and not care about whether or not ...

JONATHAN ZUCK: Except that that could be described as a discrimination problem. In other words, "Were there built-in biases to that process that made it harder for them to participate?" Which is different than, "Did we promote them doing it?" I think we can answer the question either of those two ways, based on our decided goal of the group about how we approach that question in that area, as well.

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UNIDENTIFIED MALE:            Anyone other than Jonathan have an opinion?

JONATHAN ZUCK:                I don't even know if I have an opinion. I'm trying to figure out.

UNIDENTIFIED MALE:            Should we include this question in the competition? Presumably it would be a standalone question in the competition topic.

UNIDENTIFIED MALE:            Was the question [inaudible]

UNIDENTIFIED MALE:            Has the program been effective at promoting competition by enabling competitors from ...

JONATHAN ZUCK:                Promoting competition from outside of the developed world.

UNIDENTIFIED MALE:            Yeah, outside of the developed world.

STANLEY BESEN:                 I want to make the distinction between the promoting competitors and promoting competition.

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UNIDENTIFIED MALE: That's correct, yeah.

UNIDENTIFIED MALE: I've got [inaudible] competition is not really the goal. [inaudible]

JONATHAN ZUCK: Right, but we as a team appear to have an objective to make this program, as it moves forward, better serve underserved communities.

UNIDENTIFIED MALE: Yes. I'm not worried about that.

JONATHAN ZUCK: That feels to be an objective. The question is, is there a competition component to that? That's all that really-

UNIDENTIFIED MALE: For me, Jonathan, this falls into one of the topics where the answer is obvious. There were close to no applicants from the developing world. Clearly, the program failed.

JONATHAN ZUCK: You're saying it's an easy question to answer. That doesn't say whether or not we should ask it because then it depends on whether we're making recommendations about it.

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UNIDENTIFIED MALE: I think that the other thing you need to look at is, maybe we should just assume that increasing competition would better serve the developed countries. Sometimes you need to distort that competitive market. As you say, even just look at the way that the applications [inaudible] support program. That's already a distortion. For example, in the developing world, you have – I think Stan was referring to it – programs like what we call universal access plans, which [inaudible] distort the competitive market so that underserved areas of the region can also be served by ... If you just leave it to the competition, nobody would [inaudible].

UNIDENTIFIED MALE: I would point out, by the way, the Universal Service Fund is funded by taxes on the successful firms.

UNIDENTIFIED MALE: That [inaudible].

UNIDENTIFIED MALE: It is, but I just was pointing out that the money doesn't come from ...

UNIDENTIFIED MALE: Actually, Jonathan, what I'm hearing is it's actually not the case that even these programs exist. The goal is not necessarily create competition.

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UNIDENTIFIED MALE: No, it's to provide service to people in [inaudible].

JONATHAN ZUCK: Again, I'm trying to figure out how to say this in a way, because I don't have an opinion, but the semantics here are important. Yes, one is about providing services, and all of those services could be provided from Massachusetts. To provide services to the underdeveloped world. That could be one of the objectives. Another objective could be, and I don't know the answer to this question, to ensure that there are, in fact, service providers in those areas, as well. The best example I can give is so that the Registries Stakeholder Group inside of ICANN includes businesses in the developing world, which it wouldn't if they were all in Massachusetts.

UNIDENTIFIED MALE: I think to reflect Waud's point, it doesn't actually matter if they're there because they're successful competitors or because we've actually distorted the market and just said, "We're going to pay you guys to run a registry. You're not actually a very good competitor at all, but we want to have someone in Botswana or something like that."

STANLEY BESEN: Actually, can I go back to the first half of the discussion?

UNIDENTIFIED MALE: Yeah.

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STANLEY BESEN: Will we have data on the location of – I guess think of it as registrants for the moment – located in developing countries where the TLD is, in fact, located somewhere else, say, in the developed world?

UNIDENTIFIED FEMALE: We have data. What we've done is look at each TLD registry agreement and listed where is the operator.

UNIDENTIFIED MALE: He wants to know about the registrant.

UNIDENTIFIED MALE: I want to know about the registrant.

UNIDENTIFIED FEMALE: Oh, the registrant.

JONATHAN ZUCK: The registrant is in a different place than the operator.

STANLEY BESEN: I want the geographic distribution of the registrants ...

UNIDENTIFIED FEMALE: Within a TLD?

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STANLEY BESEN: Say, [productives], for example.

UNIDENTIFIED FEMALE: I see what you're saying.

STANLEY BESEN: That gets back to the question of whether people are being served in other countries.

UNIDENTIFIED MALE: The first question.

UNIDENTIFIED FEMALE: Yeah, we have to look and see whether we have some of that data.

UNIDENTIFIED FEMALE: Not on a TLD basis, but we have ... I mean, we probably could, [but it would be] difficult.

UNIDENTIFIED FEMALE: Yeah. It's a reverse of the [inaudible] accuracy report [inaudible] analysis to determine the accuracy rate so it's not a comprehensive look at a TLD, but it's certainly a significant sample size, which is built by [inaudible] to help us have the confidence level we need for accuracy. I



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have to talk to the team, but I think we actually have the location of the registrants from the study.

STANLEY BESEN: That's critically important to answering the first half of the ...

UNIDENTIFIED MALE: Which we've added to the scope already because we've asked whether we increased choice.

STANLEY BESEN: Did we specifically ask for choice on a geographic basis?

UNIDENTIFIED MALE: Yes.

UNIDENTIFIED FEMALE: Yes.

STANLEY BESEN: Okay, so you're going to promise to provide the data.

JONATHAN ZUCK: Or we'll end up deciding we need to get the data. Right now, we're just at the ...

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UNIDENTIFIED MALE: We haven't talked about what data we need to answer that question yet.

UNIDENTIFIED MALE: That's fine.

UNIDENTIFIED MALE: You're getting ahead of us again.

UNIDENTIFIED MALE: I always think in terms of projects, [as you know].

UNIDENTIFIED MALE: Kaili, then I'm going to try to ...

JONATHAN ZUCK: I'm sorry. I didn't mean to turn this into a long conversation.

UNIDENTIFIED MALE: That's good.

UNIDENTIFIED MALE: [inaudible] in the sense that now we're talking about less developed countries. I tend to avoid using competition because not to misunderstand anything. [inaudible] asking the question straight forward. What does this new TLD program have benefited or increased

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or assisted or facilitated services, provided in these nations, as well as [assimilated] or facilitated service providers in these regions?

JONATHAN ZUCK: There's another choice issue. It becomes a choice of applicants for their service provider, potentially.

UNIDENTIFIED MALE: Remember, applicants aren't in our definition of consumer, so it's not [inaudible] actually.

JONATHAN ZUCK: I'm fine with the answer being just about services. I just don't know whether the group is fine with that because I also sense there's been this notion about, that has come up in these conversations ... There's been this notion about service providers being in these other countries, as well. Have we done enough to allow applications from those places? Which is different than the policies of .photography, or .ngo is a perfect example. .Ngo is a western-held TLD with an objective to go in and provide a service very specific to the developing world by doing authentication of NGOs. That's the example of the first question. They're housed here in the US, but they're trying to specifically serve a market in the developing world. That's one question, but the other thing that has come up in our general brainstorming is, have their been service providers and TLDs that have come from the developing world? That feels like a competition question. Whether they're good competitors or not, that feels where it would [inaudible].

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UNIDENTIFIED MALE: The way I would frame it is I think we can look at that purely through the lens of the application program.

UNIDENTIFIED MALE: I agree with that.

UNIDENTIFIED MALE: Whether that's actually resulting in people, in providers from those places able to enter the market.

UNIDENTIFIED MALE: I think that's a better fit.

UNIDENTIFIED MALE: Then we don't have to debate the merits of the competitive effects of those applicants. We're going to leave it where it is, which is in the other ...

JONATHAN ZUCK: I apologize.

UNIDENTIFIED MALE: [inaudible]'s got it.

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UNIDENTIFIED MALE: That means we all have it.

JONATHAN ZUCK: We're all doing it. Exactly.

UNIDENTIFIED MALE: All right. I'm going to consider this list baked for the moment. Then I'm going to jump back. We have to actually backtrack a little bit because now we've added into our questions about encouraging price and non-price competition, this first mover advantage effect. I guess the question is, do we need additional data in order to understand the first mover advantage?

STANLEY BESEN: I think it's going to be in our analysis of how competition takes place.

UNIDENTIFIED MALE: Right. The one thing I would say we obviously need is launch dates if we want to understand where there's a first mover.

STANLEY BESEN: Part of the problem with the new gTLDs, again, it's not been in existence for too long, but the question is, is .xyz going to be huge in the future because it got to be biggest first?

UNIDENTIFIED MALE: I think a really interesting question would be ...

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STANLEY BESEN: You don't think that's an interesting question?

UNIDENTIFIED MALE: Aww.

UNIDENTIFIED MALE: There's an even more interesting variant, which is, is .photography more successful than .photo and .photos because it launched first, which I think it did? It is more successful than those two, right?

STANLEY BESEN: It actually shows up in all of the, whatever it is, table eight or table 12, where they break down the new gTLDs and categories. There are some of them in which somebody has a really big share, and the question is, was that the first guy in? That's one way to answer the question. We could do it on a sample basis.

JONATHAN ZUCK: I chose it because it felt more service-oriented, as opposed to product-oriented.

UNIDENTIFIED MALE: Sure. I'm not saying that the answer is [inaudible]

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JONATHAN ZUCK: No, no, no. That's my one data point.

UNIDENTIFIED MALE: It's a place where there's really similar-sounding names, and one of them is doing a lot better than the other ones.

STANLEY BESEN: We want to know why.

UNIDENTIFIED MALE: Launch dates. Do we need any data other than launch dates in order to ...

STANLEY BESEN: No, and we'll have number of registrants, which is what you basically want, broken down by geography.

UNIDENTIFIED FEMALE: We'll [give them to you.]

UNIDENTIFIED MALE: Do they even have launch dates already? Presumably you already have each of the phases.

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UNIDENTIFIED FEMALE: We have [inaudible] dates, and then we have a trademark clearing house. We have all the different [sunrise], general availability ...

UNIDENTIFIED MALE: Claims. Okay, cool. Is that in your giant ...

UNIDENTIFIED FEMALE: Yeah.

UNIDENTIFIED MALE: Okay. We ended yesterday talking about market definition. We had talked through those topics of non-domain identifiers, various classes of applicants, how do we evaluate the success of TLDs that are targeted at smaller consumer segments, and to what extent have new gTLDs displaced legacy and ccs? The next thing that we hadn't gotten to is the impact of competition of new gTLDs in areas where uptake of ccTLDs are low. That's just a variant on the previous question of competition with ccTLDs.

UNIDENTIFIED FEMALE: The uptake of ccs is what? Does that mean registrations are low?

UNIDENTIFIED MALE: Yeah. I think Carlos' example is Costa Rica.

UNIDENTIFIED MALE: What [number] are you on?



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UNIDENTIFIED MALE: Three F.

UNIDENTIFIED MALE: Three F.

UNIDENTIFIED MALE: Apparently the ccTLD in Costa Rica costs \$100 a year or something, so everyone in Costa Rica just buys the gTLD because the ccTLD is so expensive.

UNIDENTIFIED MALE: You said it should be the ccTLDs at the end? What?

UNIDENTIFIED MALE: In the F? Yeah.

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED MALE: Of new gTLDs in areas where the uptake of ccTLDs is low.

UNIDENTIFIED MALE: What's the link between the new gTLDs and low ccTLDs?

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UNIDENTIFIED MALE: This is Carlos' question, so I'll channel him. He'll say, "In some countries, it's really hard to buy the ccTLD, so does that change people's behavior if you don't have a local ccTLD you can buy to change the way you interact with the new gTLDs?"

UNIDENTIFIED MALE: I suspect the answer is yes.

UNIDENTIFIED MALE: Yeah, but I think it's already captured in the previous question, which is, what's the general effects of competition between gTLDs and ccTLDs? Do we have ccTLD? We asked this question yesterday, right? They don't have any data yet on [ccTLD] registrations.

UNIDENTIFIED FEMALE: No, they don't have any data. They requested it from ccs, but they haven't [gotten anything].

UNIDENTIFIED MALE: That issue of requesting data from ccTLD operator, the way it's asked, the chances of getting the reply are very low because in many countries, ccTLDs are competing with gTLDs. They feel that giving out information, when they're asked particularly from [inaudible], they're not sure where that information is going to be used. That's why they got zero responses. The other thing is that information, someone said, is also

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available just on website. Somebody [inaudible] that activity of asking the ccTLD directly and just do the extra work and get it from the ... At least for some ccTLDs.

UNIDENTIFIED MALE: Agreed. I think someone suggested that, actually, yesterday.

UNIDENTIFIED MALE: There's actually two kinds of data we're talking about here. Am I correct? We do know the number of registrants in every ccTLD. Is that right?

UNIDENTIFIED MALE: We know the number of domains.

UNIDENTIFIED MALE: That's not useful. What's more useful is the ...

UNIDENTIFIED MALE: I just want to make clear that there are two possible kinds of data: the analysis we talked about, which was the wholesale price data, which they got no information from the ccTLDs. I've seen published data, at least in aggregate, of the number of registrants for ccTLDs. Are those not available on a TLD by TLD basis?

UNIDENTIFIED MALE: There's not a standardized reporting mechanism.

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UNIDENTIFIED FEMALE: [inaudible] There's no standardized reporting. They do not report it to [iPOC]. There are other entities [inaudible]

UNIDENTIFIED MALE: [inaudible] who published them.

UNIDENTIFIED FEMALE: [inaudible] publish that. [inaudible] operator to have relationships. There are other ways of gathering that. ICANN does not have access to any of that.

UNIDENTIFIED MALE: So for this purpose, we may rely on ...

UNIDENTIFIED MALE: On non-ICANN data. It may not be authoritative enough [inaudible].

STANLEY BESEN: That's correct. That's different and separate from the question of ...

UNIDENTIFIED FEMALE: It's going to be hard to get a [inaudible] with that.

UNIDENTIFIED MALE: Prices.

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STANLEY BESEN: Yes, of the price data. That's a separate question, and much harder.

UNIDENTIFIED MALE: But as he said, as well, often the price is just published on their website, right? It's not very hard to figure out.

UNIDENTIFIED MALE: [inaudible] ccTLDs registration data is not very useful. What's more useful is the renewal data, if one can get it.

UNIDENTIFIED MALE: We don't have renewal data for anybody else.

UNIDENTIFIED MALE: We do have renewal data for the [Gs]. It just hasn't been analyzed yet.

STANLEY BESEN: There are some data here that we can use to analyze this question. For example, in a place where the ccTLDs are very successful, you might expect that the new gTLDs would do poorly. You could, in principle, analyze that.

UNIDENTIFIED FEMALE: There are ways of looking at it.

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UNIDENTIFIED MALE: We define some specifics. If we said, "Germany is a market," or something like that, then it would be very easy to look at .de. We could go talk to them specifically. They might be very cooperative.

UNIDENTIFIED MALE: I agree.

UNIDENTIFIED MALE: Maybe Howell can go talk to the people in Botswana, and they'll give us the data.

STANLEY BESEN: I asked the lady, by the way, from [inaudible] yesterday about the HHI data that she talked about. She said, "Oh, we're not sure we're releasing it."

UNIDENTIFIED MALE: What?

STANLEY BESEN: My reaction was, "But you said ..."

UNIDENTIFIED MALE: Why did you tell us about it?

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UNIDENTIFIED MALE: Why did you tell us about it?

JONATHAN ZUCK: [inaudible] some data. Exactly. This is a data-hungry group.

UNIDENTIFIED MALE: [inaudible] renewal. Renewal data is [inaudible].

UNIDENTIFIED MALE: You can just type in this thing. It's not limited to me typing.

JONATHAN ZUCK: [That's why] we're using it.

UNIDENTIFIED MALE: Yeah, exactly.

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED MALE: Are we going to get to vertical integration?

UNIDENTIFIED MALE: Yes, hopefully.

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STANLEY BESEN: Because we never talked about that.

UNIDENTIFIED MALE: Impacts of alternate routes. I think I would categorize this as a low priority sub-question. Does everyone know what alternate routes are?

UNIDENTIFIED FEMALE: Yes. No. I don't know.

UNIDENTIFIED MALE: You do?

UNIDENTIFIED FEMALE: I can't explain them, but I know what they are.

UNIDENTIFIED MALE: Alternate routes are, especially back before ICANN significantly expanded the gTLD space, some people were so chomping at the bit in order to have new gTLDs, they just made their own and they made it so if you configured your DNS server in a certain way, you could talk to these alternative, non-official TLDs.

UNIDENTIFIED MALE: Like pirate radio stations.



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UNIDENTIFIED MALE: Kind of like a pirate radio station, yeah. They're not very popular because either your ISP or you at your computer have to set up a special configuration to use them.

UNIDENTIFIED MALE: Can they advertise their existence?

UNIDENTIFIED MALE: They do sometimes advertise their existence.

UNIDENTIFIED MALE: Interesting.

UNIDENTIFIED FEMALE: I think it's very minimally ...

UNIDENTIFIED MALE: Yeah, I would be surprised if we saw an effect here, and it would probably be actually hard to figure it out.

UNIDENTIFIED MALE: Low priority.

UNIDENTIFIED FEMALE: [inaudible].

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UNIDENTIFIED MALE: Does anyone want to spend time trying to figure out ...

UNIDENTIFIED MALE: Sorry. This second question under E, "Are registrants replacing previous TLD registrations with new ones?" That question. We'll [inaudible], but I'm not seeing how they're going to get an answer. I'm not seeing that. It's going to be like the question that was being asked of the ccTLDs, where there is no [inaudible].

UNIDENTIFIED MALE: This is [inaudible] the Nielsen. You're asking registrants, "Have you registered in a new TLD?" Then you ask them the follow up. "Did you get rid of your .com at the same time?"

UNIDENTIFIED MALE: Nobody will give you that information.

UNIDENTIFIED FEMALE: In the survey, they might answer, but we also have data that indicates ... We've looked at registrations in new Gs and compared them to legacy and compared the string at the second level to see if it's appeared in other TLDs. That doesn't necessarily mean it's the same owner or registrant, but it gives you an idea of [duplication] around ...

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UNIDENTIFIED MALE: We could sample some set of those, too.

UNIDENTIFIED MALE: [inaudible] method of getting the information, the data, then that's more reliable.

UNIDENTIFIED FEMALE: Yes. [That doesn't get attention.]

UNIDENTIFIED MALE: But if you ask the registrant himself, he'll be less likely to tell you whether he dropped the legacy one because there is a lot of competition also for those strings.

UNIDENTIFIED MALE: Occasionally, people answer these questions truthfully.

UNIDENTIFIED MALE: You're going to put Nielsen out of business.

UNIDENTIFIED MALE: I also think that Nielsen ... I don't think they're generally going to ask for specific domains.

UNIDENTIFIED FEMALE: No, they're not.

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UNIDENTIFIED MALE: I think the way the questions are going to be phrased are, "Did you register a domain in the new TLD?"

UNIDENTIFIED FEMALE: [inaudible]

UNIDENTIFIED MALE: Then, "When you did it ..." It won't ask you which one.

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED MALE: But they won't ask what second level domain.

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED MALE: I guess we'll see what the survey tells us.

UNIDENTIFIED MALE: When you said, "We have done this," who is we?

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UNIDENTIFIED FEMALE: ICANN.

UNIDENTIFIED MALE: I mean, you already have a report?

UNIDENTIFIED FEMALE: Yeah, we already have data on second level strings that appear in both legacy TLDs and new TLDs.

UNIDENTIFIED MALE: Has that been circulated to us?

UNIDENTIFIED FEMALE: It's on the website, all of it.

UNIDENTIFIED MALE: It's hard to find it.

UNIDENTIFIED FEMALE: I don't [inaudible].

UNIDENTIFIED MALE: This is why we need metric ninjas, to help navigate through.

JONATHAN ZUCK: Data ninjas, metrics or something.

UNIDENTIFIED MALE: Yeah, data ninjas. Anyone object to ignoring the alternate routes question for our initial analysis?

Oh, look, we can project. Next question we have in our market definition topic is, their domains versus bundles of functionality. Analysis Group already is looking at add-on services. Is there other types of ...

UNIDENTIFIED FEMALE: E-mail?

UNIDENTIFIED MALE: They're already looking at that.

STANLEY BESEN: By the way, I sat next to somebody at dinner last night who works for a registrar that is a registrar for 600 different gTLDs. Among other things, she told me that they offer a bunch of other services “free” with your domain. Very interesting.

UNIDENTIFIED MALE: The one thing I had asked Analysis – I'll just flag it here – is to do some sort of standard shopping basket to look at the service pricing. They basically just showed, “For each service, e-mail costs somewhere between \$0 and \$100 a year, depending on the provider. Hosting costs somewhere between \$0 and \$7,000 a year,” but you don't know. Maybe

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when you buy hosting, you get e-mail free. It's very hard to look at the data they had and make any sensible determinations about what's going on.

Any other data people would like to see on this additional services question, the bundle of functionality?

Moving on. Then this new question we just added, which is just specific sectors or clusters of topically related TLDs from the market. Analysis Group has already done some of this.

Just is either them or us looking at the TLDs to see if they're topically related, right?

STANLEY BESEN:

I think that's a useful thing that they've done. We may want to expand it or suggest other groupings or whatever, but what they've done is the right thing.

UNIDENTIFIED MALE:

I don't think you need additional data above what they're already gathering in order to figure this out.

STANLEY BESEN:

Right. We may tell them to package it differently.

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UNIDENTIFIED MALE: Right. The other data that we've already identified for this relevant markets question is the parks versus not question. I think it was Stan. You identified that. Are there other pieces of data we think we need related to the question of market definition?

STANLEY BESEN: How will you get the [inaudible]?

UNIDENTIFIED FEMALE: I have data on names that are registered in new gTLDs but do not [resolve].

UNIDENTIFIED MALE: That's not the same as parked.

UNIDENTIFIED FEMALE: I know, but so far, I can offer you that.

UNIDENTIFIED MALE: Yeah. There are services that attempt to crawl and then perform this analysis.

STANLEY BESEN: There is actually at least one, a number that I've seen, a published source that gives a number for this. Let me say one more thing here. I talked to Patrick Fallstrom. He gets it a different way. I'm not sure of the technical term, but he looks at traffic information.



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UNIDENTIFIED MALE: Yeah.

UNIDENTIFIED FEMALE: Oh yeah. [inaudible] wanted to look at traffic information.

STANLEY BESEN: I can follow up with him about it. I want to get more specifics from him.  
I think he looks at this every day.

UNIDENTIFIED MALE: In the bathtub.

STANLEY BESEN: I hope not. He has a little chart that changes the number every day, and that might be useful for us for this purpose, as well.

UNIDENTIFIED FEMALE: Oh yeah.

UNIDENTIFIED FEMALE: We also had several of the metrics that we didn't start collecting and a lot of them had to do with traffic, parked, stuff where we would have to look at outside sources. [inaudible]

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UNIDENTIFIED MALE: Alexa is a good example of a service that already collects traffic data.

UNIDENTIFIED FEMALE: The question is, what exactly do we [inaudible]?

UNIDENTIFIED MALE: Correct. How do we extract it from it? This would be something where we would probably go to a third party and either get it or buy it.

UNIDENTIFIED MALE: [inaudible] for nothing.

UNIDENTIFIED MALE: Yeah, well, that's the get it one. Sometimes it may not just get it for free.

UNIDENTIFIED FEMALE: Maybe we get it [inaudible]

UNIDENTIFIED FEMALE: We have some Alexa data, but anyway, I think we need a little more detail on it.

UNIDENTIFIED MALE: Yeah. I think what we'll do once we finish this initial pass ... Maybe we're doing this totally wrong and we should just change right now. We don't

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have to keep doing this exercise if it's the wrong one. Stan keeps talking about thinking about stuff in terms of projects. Maybe that's actually how we should. Instead of saying what data we need, we should say, "What's the project we would do in order to get the answer to this question?"

STANLEY BESEN: I always have a project in the back of my mind.

JONATHAN ZUCK: The only reason that we would need to get to the data that we need is in case we need more that would be time consuming to acquire. If it's just purchasable, that's not a big deal, and if it's just something to get from somebody that already has it, but if it's research similar to what we ask Nielsen or Analysis Group to do, we want to get that started. That's the only reason that the data sources themselves ...

UNIDENTIFIED MALE: I guess I'm just saying the projects will imply data.

UNIDENTIFIED MALE: They will.

UNIDENTIFIED MALE: Maybe that's just the way we should all be framing. When we say we need data on X, we should be through what would we use it for, which we're probably all already doing. Then later on, once we've started to

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put the data in places, we can figure out how to execute on the projects.

STANLEY BESEN: Jonathan's right. To the extent that there's data that would take a long time to gather, we want to front load that, if we can. I don't think there's anything here that's in that category that's not underway, but [inaudible]

UNIDENTIFIED MALE: No, that's the point of the exercise. Now jumping ahead to question five. We're skipping four because that's one of our low priority questions. This is the effect on competition between registrar. In particular, it's the one question on the impact on the number of registrars. That seems very straight forward. I'm sure ICANN has data on the number of registrars.

UNIDENTIFIED FEMALE: Yes.

UNIDENTIFIED MALE: Don't skip B.

UNIDENTIFIED MALE: I'm not. We also probably want number of registrars per TLD, right?

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STANLEY BESEN: We talked to Analysis Group about that already.

UNIDENTIFIED MALE: Okay. ICANN has that already.

UNIDENTIFIED FEMALE: Yeah, it's in our monthly [inaudible].

UNIDENTIFIED MALE: Okay, great. Any other data we need to figure out the impact on the number of registrars?

UNIDENTIFIED MALE: Have you [inaudible]

UNIDENTIFIED MALE: That's perhaps interesting. Does ICANN categorize that?

UNIDENTIFIED FEMALE: Kind of. It's a little bit manual, but we're working on it.

UNIDENTIFIED MALE: All right, cool. Point B is effects of vertical integration, and Stan is first in line to talk about this.

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STANLEY BESEN: This has come up and we didn't talk about it before.

UNIDENTIFIED MALE: You have thoughts.

STANLEY BESEN: It actually, I think, fits nicely into something we talked about yesterday. My understanding is the legacy gTLDs all have a vertical integration ban. Is that correct? Almost all of them do.

UNIDENTIFIED FEMALE: [inaudible].

STANLEY BESEN: Some of them do, in any event.

UNIDENTIFIED MALE: Certainly com definitely does. Com has a much more strict one than [the other ones].

STANLEY BESEN: Correct me if I'm wrong. The restriction does not exist for the new gTLDs. Is that correct?

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED MALE: In the new gTLDs, there's an equal access provision, but there's not a ban on vertical integration.

STANLEY BESEN: So the question is, here's the project. Analysis Group is going to – this is what we just discussed – is going to provide information on essentially the extent of the competition among registrars within a gTLD. So you can imagine a variety of ways to do this. They could calculate market shares. They could calculate HHIs. More on that later. I think I may have said this yesterday when Greg was there. We could easily add to that, the question of in which TLDs does the registry also own a registrar? Is there any vertical integration in this particular gTLD? The next question would be, using a technical term here, is there something funny about the market share of ...

UNIDENTIFIED MALE: Of that registrar?

STANLEY BESEN: Yes, of the registry operator. For example, if we observe that it had almost all of the business, we might suggest that it's doing something to keep other registrars from competing for the business of being registrars for that. You can simply add on to the data that we're collecting about the number of registrars within a TLD. Something about the identity, and in particular, whether one of those is the registry, and what its share looks like.

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Go to the next project, which we talked about yesterday as well. I talked about a project in which we try to relate the retail markup when Analysis Group has calculated, and relate that to the extent of competition. How many competitors there are or the HHI or some other measure of concentration among registrars. You can easily add to that another – think of this as a regression – another variable, which is, is the registry vertically integrated with one of the registrars? That could produce the result, for example, hypothetically, that the markups are especially high in cases in which there was a vertically integrated registrar. It's just another variable, I feel like, in the analysis that I hope they were already planning to do.

The concern, I think, has always been somehow the vertically integrated registry will disadvantage competitor registrars. So try to get at that question. A, does it do so in terms of shares? B, if so, is that manifested in higher markups?

UNIDENTIFIED MALE: Right.

STANLEY BESEN: I'm sorry. [Keeping] you up.

UNIDENTIFIED MALE: No, no.



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STANLEY BESEN: I used to have students like that, too.

UNIDENTIFIED MALE: I was one of them.

STANLEY BESEN: That was you.

UNIDENTIFIED MALE: That makes sense, Stan. That's a new project, but it sounds like the only additional data we need is to identify ...

UNIDENTIFIED FEMALE: [inaudible]

UNIDENTIFIED MALE: No. That, we're already expecting Analysis Group to do. What we need to do is identify registrars that are vertically integrated with the registries.

STANLEY BESEN: You might actually be able to compare domains in which there were vertically integrated and non-vertically integrated registrars and see whether there's something different about the prevailing markups in those.

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UNIDENTIFIED MALE: And [market] concentration.

UNIDENTIFIED FEMALE: [inaudible] focus on the retail market. When they're vertically integrated, it's possible they're not even selling them retail. They could be [inaudible]

JONATHAN ZUCK: I think we exclude those.

UNIDENTIFIED MALE: Correct. Yeah, I think all the brands, we would knock out of this analysis.

STANLEY BESEN: I think you want to look at [inaudible]

JONATHAN ZUCK: I think we're headed in that direction anyway.

UNIDENTIFIED MALE: Ordinary commercials.

UNIDENTIFIED FEMALE: Thank you.

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STANLEY BESEN: Those are easy. We just throw the data out.

UNIDENTIFIED MALE: Okay. Do we need any additional data for that, other than identifying which registrars that would apply to?

STANLEY BESEN: We just have to remind them, when they go through the data, this is something they should flag. That's all.

UNIDENTIFIED MALE: Right. They may not know. I think ICANN's going to have them figure out which are the vertically integrated registrars.

UNIDENTIFIED FEMALE: Yeah. [inaudible] registrar team because it's a part of, I think, the information registrars are required to ...

UNIDENTIFIED FEMALE: To report.

UNIDENTIFIED MALE: Yeah, it's in the annual certifications. You just need to pull it out of that.

Anything else we need on the topic of competition amongst registrars? We also have resellers as a question here. I have no clue how we would try to figure out [inaudible] resellers.

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UNIDENTIFIED MALE: How is the question phrased?

UNIDENTIFIED MALE: "How has the introduction of TLDs affected the competition between registrars and/or resellers?"

STANLEY BESEN: Who exactly are resellers in this context?

UNIDENTIFIED FEMALE: I'm sorry, which question is this?

UNIDENTIFIED MALE: It's number five.

UNIDENTIFIED FEMALE: [inaudible] domain names.

UNIDENTIFIED MALE: On behalf of GoDaddy and stuff like that, right?

UNIDENTIFIED MALE: Tucows and eNom, that's almost exclusively their business.

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UNIDENTIFIED FEMALE: Yeah, Tucows and eNom, that's the entirely the model. It used to be, say, Yahoo.

UNIDENTIFIED FEMALE: I don't know if they are a registrar now, but they were probably selling a sizable number of registrations.

UNIDENTIFIED MALE: Did Google ever act as a reseller, or did it get registrar status before it did any ...

UNIDENTIFIED MALE: Google has been a registrar for a really long time, but not for reasons related to actually performing domain registrations. We were accredited long before Google Domains started. Having said that, in some cases, Google Domains, even very large registrars sometimes still act as resellers. Not as often for gTLDs, but very commonly for ccTLDs because there's often annoying rules in the ccTLD that you don't want to have to put up with, so you find someone who's already dealt with it, and then you resell their services.

UNIDENTIFIED MALE: If we could get data on that, it would be interesting.

UNIDENTIFIED MALE: I agree with your statement. It would be the, "If we could get data," that I think is going to be the problem here.

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UNIDENTIFIED MALE: Fair enough.

UNIDENTIFIED FEMALE: Remember, under the 2013 [inaudible] there was a requirement to reporting your large resellers [inaudible]

UNIDENTIFIED FEMALE: I can't remember where we landed on that.

UNIDENTIFIED FEMALE: I asked about this, and I don't think I ever got a clear [answer].

UNIDENTIFIED MALE: Can we go back for a second? Other than your example where I'm setting up a webpage, if I just wanted a domain name, is there any reason to go to a reseller as opposed to the registrar?

UNIDENTIFIED FEMALE: Yeah. If you have a relationship with Yahoo, Yahoo is your e-mail provider, you might just ... It's convenient. [inaudible]

UNIDENTIFIED MALE: It's convenient. It could be a higher price, though, I take it.

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UNIDENTIFIED MALE: It could be higher or lower.

UNIDENTIFIED FEMALE: It could be more competitive.

UNIDENTIFIED MALE: So they buy it from the [reseller]?

UNIDENTIFIED MALE: [Boss leader].

UNIDENTIFIED MALE: I'll give you a particularly crazy example. They are now an accredited registrar. There's this company called Namecheap. I think all of their common net registrations are as a reseller of eNom because they got started that way. I think they have millions of domain name registrations. They would be a large registrar in their own right, but they've actually done [this all] through a reseller relationship with eNom.

UNIDENTIFIED MALE: But they sell for higher prices than the ones they buy at, right?

UNIDENTIFIED MALE: They sell for higher than what they buy at, but the registrars that specialize in this channel often have very low markups because they

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don't have to provide customer support and the sales and marketing efforts and so on.

UNIDENTIFIED MALE: So they buy it kind of wholesale.

UNIDENTIFIED MALE: Right, exactly. The first thing is can ICANN identify information about resellers, about resold domains? It would be almost impossible to figure this out if we don't have a list of large resellers. We could go ask registrars. We could ask Tucows and eNom and the other people that have this as a common relationship. They probably would not tell us the answer, but we could ask them, "Who are your resellers?" Then we could ask the resellers for information. It comes farther and farther from practicality, the more ...

JONATHAN ZUCK: Certainly further and further from a mandate to cooperate.

UNIDENTIFIED MALE: Yeah. The registrars already have no mandate.

UNIDENTIFIED MALE: Exactly.

UNIDENTIFIED FEMALE: There is a new WHOIS deal.



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UNIDENTIFIED MALE: Right, for reseller ID.

UNIDENTIFIED FEMALE: I'm not sure that's required [inaudible]

UNIDENTIFIED MALE: It's not required. It's optional.

UNIDENTIFIED FEMALE: It might be optional, but my question is, I don't know how many people how actually ...

UNIDENTIFIED MALE: GoDaddy populates that field when they have a reseller relationship.

UNIDENTIFIED FEMALE: [inaudible] data [inaudible].

UNIDENTIFIED MALE: Other than, once again, WHOIS accuracy, it's not like you have all the WHOIS data.

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UNIDENTIFIED FEMALE: Right, right. Just whatever samples we might have pulled for the accuracy programs. Really, the only [inaudible] but that's where I [inaudible]

UNIDENTIFIED MALE: We'll just assign this as homework for ICANN to go and figure out what you know about reseller [inaudible]. Anything else on this topic of competition between registrars and/or resellers that we think we need to gather?

UNIDENTIFIED FEMALE: Actually, there was a requirement on the 2013 specification, number 25. "Does registrar use resellers?" And then it says, "If yes, provide a list of all such resellers known to the registrar. The information shall be made available to ICANN upon request." So my guess is we've never requested.

UNIDENTIFIED MALE: Right, so we could go.

UNIDENTIFIED FEMALE: The registrars are probably [inaudible] request it.

UNIDENTIFIED MALE: We should think about what the value of this is before we go and ask for the list.

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STANLEY BESEN: Before you go too far, I have a small proposed edit. Scroll it down a little further. You have between registrars and/or resellers. I would propose [inaudible]. By the way, I also prefer data are.

UNIDENTIFIED MALE: You prefer what?

STANLEY BESEN: Data are.

UNIDENTIFIED MALE: Oh.

UNIDENTIFIED MALE: Datum is and data are.

UNIDENTIFIED FEMALE: [inaudible] strikes again.

MARGIE MILAM: [I don't like] are.

UNIDENTIFIED MALE: I'm sorry. You can either do it correctly or have it [inaudible]

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JONATHAN ZUCK: Or Margie's way. Maybe Dan will learn somewhere along the process that there is a [balance test] there.

STANLEY BESEN: I'll tell you a very sad story. Many years ago, I wrote a paper where I used the word "which" incorrectly. It came back. A very good lawyer had edited it, and "which" was changed to "that," I would say," at least 50 times. I have learned that lesson forever. If I read anything that I wrote before then, and the word "which" appears, I cringe. I'm hoping you, too, will cringe when you [say] "data is."

UNIDENTIFIED FEMALE: Data, datum.

UNIDENTIFIED FEMALE: Merriam-Webster dictionary says it can be used as a singular [inaudible]

UNIDENTIFIED MALE: I'm sorry. I answer to a higher authority.

UNIDENTIFIED MALE: I'm going to wrap up the latest edition of our data conversation. I'm going to suggest we talk work plan for the remaining 20 minutes that we have here. It seems obvious to me. We still have quite a bit more work to do on this data topic, I feel like. This is not going to happen until

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next week, but I'll maybe try to work [Aleesia] and try to make a giant spreadsheet of each of the topics that we've identified and the data sources that we think are relevant for each one of them. Then, for each of those, we can say [how it's getting it], Analysis Group is going to do it, need to collect, basically. Once that spreadsheet exists, I'm going to e-mail all of you and say, "I made this spreadsheet. Please go start putting stuff in it, basically." We'll think of new pieces of data that we need. We'll get data ninjas, and they can start looking at the requests and mapping them to data sources that we already have, etc. There is a lot of third party data out there.

UNIDENTIFIED MALE: There are. Keep it up.

UNIDENTIFIED MALE: There's a lot of third party information out there. It would be great for subteam members or for the broader team members to start to, when we say we're curious about ccTLD registration volumes or something like that, they can be like, "Look, here's a website that has all that information." That's what I think a very short term objective is, to build that structure. Then I think what we need to do probably on our next call is try to get through the rest. If people can maybe think in advance, we can make this a little bit more efficient once the spreadsheet's built. Then people can go through and start to populate it, and the call will be mostly a matter of looking to see, have we already identified all the right stuff, as opposed to a de novo conversation.

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STANLEY BESEN: I think it's very good. I think it clearly is a set of clearly, well-defined projects here that are, for the most part, doable. Where they are not, it's because of data limitations. I think I see where we're going from this. Maybe I'm just misreading this.

JONATHAN ZUCK: Is there a cross-section through that? I know you're trying to move on to the next thing, but because we're trying to do alternative market definitions, do any of those market definitions imply different data sources, potentially?

STANLEY BESEN: I think, at least for the work that Analysis Group is doing, it's various ways of cutting data.

JONATHAN ZUCK: That they're already collecting.

STANLEY BESEN: For example, the way they created the market shares for different groups of TLDs, it was the big set of data cut.

JONATHAN ZUCK: Understood. That's starting from the data I have, dividing into segments. I guess my question is, is that sufficiently comprehensive to incorporate the list of options we had in our market definition?

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UNIDENTIFIED MALE: We did [inaudible] market definition stuff. I think that we did identify a few places where we would need additional data.

UNIDENTIFIED MALE: Geographic coverage.

UNIDENTIFIED MALE: Geographic coverage. We can look at what else. I exhort you to, once I build the spreadsheet, take a look and see if you think there's anything missing there. That's, I think, roughly our next step. If I think about timing ... Let's do strawman timing here. I think if we got that spreadsheet built next week ... When's our next big group call?

UNIDENTIFIED FEMALE: It will be ...

UNIDENTIFIED MALE: In two weeks.

UNIDENTIFIED FEMALE: In a week and a half, basically.

UNIDENTIFIED MALE: And a half?

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UNIDENTIFIED FEMALE: Not this coming Wednesday, but ...

JONATHAN ZUCK: My other question for the larger group is going to be, given that we now have this priority [associated] with the application and review process, are you comfortable with having that happen in parallel? In other words, you all will be participating on two work streams as a result, and we'll be using potentially the group calls to [inaudible] this exercise in that area on the application process and evaluation, and having a separate set of calls for competition.

UNIDENTIFIED MALE: Yeah. I think we had previously discussed doing that. Am I making this up? And convening on alternative weeks?

UNIDENTIFIED FEMALE: Yeah, [inaudible] general call.

UNIDENTIFIED MALE: So we basically end up with a call a week, and every other week it would be for the big group and the alternate ...

UNIDENTIFIED FEMALE: We'd do alternate weeks.



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UNIDENTIFIED MALE: Yeah, alternate weeks, essentially.

UNIDENTIFIED FEMALE: With your group call versus the big group call.

UNIDENTIFIED MALE: Yes, exactly.

UNIDENTIFIED MALE: I also propose that we get Greg on our calls. That would be very useful.

UNIDENTIFIED MALE: Yeah, agreed. Right now, we have the Analysis Team subgroup. Should we just say that this group is the Analysis Team subgroup?

UNIDENTIFIED FEMALE: It is. It is.

UNIDENTIFIED MALE: Then we just get Greg involved with all of our conversations.

UNIDENTIFIED FEMALE: [inaudible] all of them, or you want to do [inaudible]

UNIDENTIFIED FEMALE: I don't know.

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UNIDENTIFIED MALE: Just in the short term, while we're still in this data ...

UNIDENTIFIED FEMALE: As they're starting to gather the data.

JONATHAN ZUCK: Once they go to go do their thing, then it'll be more periodic.

UNIDENTIFIED MALE: It may actually be that he wants to be on at least all the subgroup calls because I think we'll often have discussions where it will be like Stan suggested. It'll be like, "In order to do this market analysis, we need Analysis Group to do go X, Y, or Z." Instead of having you write it down and then try to explain what we meant, having him there, I think that will make that more efficient.

STANLEY BESEN: Especially at the outset. If at some point, he gets to the point where it's a waste of his time, he should stop [coming].

UNIDENTIFIED MALE: Agreed.

UNIDENTIFIED FEMALE: Yeah, or if he bills us hourly, then we'll just [inaudible]

UNIDENTIFIED FEMALE: It's [not] hourly.

UNIDENTIFIED MALE: With that in mind, I'm thinking we will give people a break next week, and/or I will use the time I would have spent building the spreadsheet and encourage everyone to invest the hour that you would spend looking over the spreadsheet. Then we'll have the group call the following week. Then the week after that, we'll meet again. At that point, try to finalize what we think our data asks are. That would be the end of March, essentially. We're looking to finalize [inaudible] requests.

UNIDENTIFIED FEMALE: So you are talking about taking the week of the 14<sup>th</sup> off to review the chart.

UNIDENTIFIED MALE: Right.

UNIDENTIFIED FEMALE: Our call is on March 23<sup>rd</sup>. You would meet sometime during the week of [inaudible]

UNIDENTIFIED MALE: I would prefer if we just tried to use the same time slot that we used for the other ... I should make sure that works. I may have just moved a

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bunch of meetings in my calendar to alternating weeks. Anyway, let's do a Doodle. Certainly, in the Doodle, let's include the option of just mirroring the other week's calls a week later.

UNIDENTIFIED FEMALE: Sure. I'll put that slot in there.

UNIDENTIFIED FEMALE: With [inaudible] time zones, it gets a lot harder.

UNIDENTIFIED MALE: Yeah, I think with Kaili and Waudou, there's really no ...

UNIDENTIFIED FEMALE: No, [inaudible].

UNIDENTIFIED FEMALE: Sorry for my [inaudible].

UNIDENTIFIED MALE: Yeah, sorry. You chose the wrong project.

JONATHAN ZUCK: At least you don't [inaudible] half the calls were from 1:00 AM to 4:00 AM.

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UNIDENTIFIED FEMALE: Ew.

UNIDENTIFIED FEMALE: That, I do not [inaudible]. I don't even know how you guys [did that] for as long as you did.

UNIDENTIFIED MALE: That means we're trying to wrap up the data identification. Obviously, there's still going to be a lot of collection going on for a while after that, but the data identification exercise should be done by the end of March. Stan has told me – we can see if the rest of the group agrees – the next thing we need to is start focusing on this market definition question.

STANLEY BESEN: That's not the only thing, but that's certainly one of the things [inaudible].

UNIDENTIFIED MALE: Sure.

JONATHAN ZUCK: Coming up with a group of them? Is that what you [mean]?

STANLEY BESEN: I don't actually remember this conversation. Simply I might have said, but we have [inaudible].

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JONATHAN ZUCK: It's [inaudible] economics stuff that's advanced.

STANLEY BESEN: We are going to be doing, we agreed, doing calculations of market shares or HHIs based on alternative market definitions because we're not ready to put a stake in the ground and say, "This is the only market definition that's relevant." The range is all the way from every domain is its own market. There are people around here who think that.

UNIDENTIFIED MALE: There are.

STANLEY BESEN: [inaudible] DOJ. There are some other calculations that I believe Analysis Group has done in which the market is treated as just one big gTLD market.

UNIDENTIFIED MALE: Or domain name market, maybe.

JONATHAN ZUCK: This is the other end of the ...

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STANLEY BESEN:

Or even better, a market that includes both ccTLDs and gTLDs. I've done some sort of back of the envelope calculations of not quite market shares, but using data, treating ... [If you get it] at a highly aggregated level, there's some published data that you can do simple calculations. In between are the prototype is the table in the Analysis Group report that has it broken down by .camera, .photography, whatever, and as well, broken by geographic areas. There might be, I don't know, .berlin and .de. [inaudible] or things that are Europe-wide or North America-wide or Latin America-wide, which might be candidates to think about.

JONATHAN ZUCK:

Just to be the fly in the ointment again. I apologize. That's my recurring role, but there's this other bugaboo that hangs over our head, which is the market that includes non-domain identifiers. At one level, we left it as part of market definition, but lower prioritized it in our top level questions. One of the market definitions would include Facebook, Twitter, and Squarespace in the so-called third level domain solutions, in the overall market that we might be looking at. That was something that was of particular importance to the ALAC. It could very well be that that's too overwhelming for us, or that we want to identify some study of that interplay and send somebody off to go do that as one of the research exercises. "Here, let's define a set of questions about that broader market and ask someone, the Analysis Group or someone like them, to go and actually do research about that." I don't know.

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UNIDENTIFIED MALE: But what you're suggesting is, and I don't really understand this well enough now to answer this, but you have to collect data from which you can calculate market shares.

JONATHAN ZUCK: But you might get out of Facebook or Twitter. We know that there's a billion users on Facebook and things like that.

STANLEY BESEN: I could think more clearly about this if I could understand exactly the nature and source of the data I would use to calculate shares. The principle is correct. It's not obvious to me how one would implement it.

JONATHAN ZUCK: Me either. [inaudible] formulated in my head at all. We're going to try to scratch the surface of this a little bit by doing an alternative branch in the registrant survey. People that qualify out of the normal survey, we can ask them questions about, "Hey, do you have some other identity on the web? If so, why?" We can get a couple of answers that way. That might be enough, but if there is some way to look at overall share and impact or something like that, is it worth just assigning a group, an outside resource, to explore that? It's worth considering if it's overwhelming to [inaudible].



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UNIDENTIFIED MALE: My take on that, Jonathan, is that as we start to talk about the market question, this is a really good conversation that we probably need to have. When is the Nielsen registrant survey being sent?

UNIDENTIFIED FEMALE: May, June.

UNIDENTIFIED MALE: May, June. Okay. This should maybe hopefully work. If we front load into this market question, this topic early on in our discussions, we can maybe start to get a little traction in our discussions and use that to inform the Nielsen survey. I think it would be more like we would learn stuff from the Nielsen survey that would then ...

UNIDENTIFIED MALE: Inspire a follow up.

UNIDENTIFIED MALE: A data analysis.

UNIDENTIFIED MALE: I don't think we know enough about, really, what registrants consider alternatives. We could say, "I speculate that Facebook's a valid alternative," but until we've actually established that registrants believe that ...

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JONATHAN ZUCK: Or non-registrants, or [inaudible].

UNIDENTIFIED MALE: Right, or people that could be. Our definition of registrants includes potential registrants.

JONATHAN ZUCK: That's right.

STANLEY BESEN: Here's a cheap way to do it. Suppose you knew in the aggregate how many registrants there were, if you want to call them that, using these alternatives. You could say, "If I thought of them as being in the market, what this implies about how much concentration there is."

JONATHAN ZUCK: That's the thing. We know for a fact that it's a viable alternative. A band used to have to get a website. Then it became a Myspace thing, and then it's now migrated to a Facebook thing. There's alternatives to Facebook, too, that are music specific, but there are bands whose only presence on the web is their Facebook page.

UNIDENTIFIED FEMALE: Or restaurants, yeah.

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JONATHAN ZUCK: It takes the place of ... Restaurants. There's a lot of people like that. We know for a fact that it is a viable substitute. That doesn't mean I know how to measure its impact or something like that, but there's a level of competition going on that's happening outside of the market that we're ... Maybe just because it's free and easy. Maybe because there's an established user base. We don't know the answer, and the survey may get to some of that. We do know that it's factually true.

UNIDENTIFIED MALE: I agree. Native apps are, you don't need to come to my website because you just come to my app. Some people have made [inaudible] apps don't have domains at all because they don't have a website.

JONATHAN ZUCK: A presence on the store, and that's their presence.

UNIDENTIFIED MALE: Talking about data collection and so forth, I have a [inaudible] software. We all have some friends, maybe, in this industry. I would go to get a friend of mine and go over a beer and say, "[inaudible], how do you think about these questions and what would be your answer?" It does not [inaudible] directly put together statistically as data, but as [these], that does help me to get a feeling of it, especially the [inaudible]. As a [inaudible] when we look at the data together. We thought, "Well, is there anything wrong with it?" I think, personally, [inaudible] I would get the feeling of [inaudible] and then I would think usually it's important.

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UNIDENTIFIED MALE: I like that idea, but don't ask Waudu because he never answers these questions.

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED MALE: Oh, somebody else, not you.

UNIDENTIFIED MALE: This will be [inaudible] I think with the [inaudible] over a beer [inaudible] we have three beers.

UNIDENTIFIED MALE: If we buy you a beer, [inaudible]

UNIDENTIFIED MALE: Margie's trying to get into the conversation.

MARGIE MILAM: I have a question about alternatives. It might be useful to set up your hypothesis. Assuming you have the data, what does it show us related to DNS and competition? I don't see the link. I understand there's alternatives, but I don't see how it affects competition.

UNIDENTIFIED MALE: I actually think there's a legitimate [inaudible] effect here. I'm really skeptical that new gTLDs have anything to do [with it]. This is just happening regardless. If we would have not introduced new gTLDs, Facebook would have still been a totally viable alternative to domain names. Especially trying to tease in the effect of new gTLDs is going to be particularly hard, I think.

MARGIE MILAM: That's why. If you have the data, what is it going to show? More people, more users of Facebook. I don't know what the hypothesis is that we're trying to ...

UNIDENTIFIED MALE: Starting with Jon's assertion that there are many people for whom these are substitutes. That's the premise.

UNIDENTIFIED MALE: With market [inaudible]

UNIDENTIFIED MALE: If you start with that premise, then you want to know how many people are, in fact, using that, as compared to the ...

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JONATHAN ZUCK: And we created a competition. It's just market definition. The market definition is people that speak Catalanian. Did we increase competition in that area? The market definition Africa, have we increased competition in that area? Is the market definition photography services? Have we increased competition? That's the exercise we're going through. In one instance, the market definition includes Internet identifiers generally. One argument that can be made, and I know that [inaudible] is trying to make this argument, is that new gTLDs, a potential competitor to those, because the other problem with them is they're walled gardens. In other words, as soon as I share my YouTube link, my YouTube channel as a YouTube URL for someone, and then come to realize that Vimeo has much better data quality, I have to re-educate everybody on that, whereas if I had a .video link or .tv or something, then I might use that as a layer of abstraction above what a particular service provider is. In theory, it could help introduce competition in that overall identifier market.

UNIDENTIFIED MALE: I'm actually going to be [bad] chair and cut off this conversation because we're almost at time. This is a very interesting conversation that we need to have as part of the market definition conversation. I'm suggesting that we use the rest of March on the data analysis. This conversation – I think you're right, Jonathan – may present yet more places where we need to collect data. I think we can try-

JONATHAN ZUCK: Try to [work] on the survey.

UNIDENTIFIED MALE: We can try to build it into the survey as a first pass, and draw further conclusions, or as we're having the conversation about it, it may become obvious. The idea is not well-formed enough in our heads right now.

JONATHAN ZUCK: Yeah, at all.

UNIDENTIFIED MALE: [inaudible] the data collection, I think. The other thing I was going to ask this group is do we think we can get to answer these questions of market definition by the time we get to our May meeting? That seems like that would be a reasonable ...

JONATHAN ZUCK: Like coming up with our list?

UNIDENTIFIED MALE: Yeah. The sets of analysis that we intend to do.

UNIDENTIFIED MALE: Two calls?

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UNIDENTIFIED MALE: That's four calls. That's two months. April and May. How early in May do we think the May meeting is going to be? Or it might be June?

UNIDENTIFIED FEMALE: Actually, it's the end of May.

UNIDENTIFIED MALE: End of May.

UNIDENTIFIED MALE: Almost two months. Okay.

STANLEY BESEN: The hard part is deciding which of these various market definitions we can defend. I think in terms of doing the calculation, this is relatively straight forward data work. We have to think hard about it because [when you] describe market definition, I would describe it as we should consider a series of alternatives. When time comes to defend one or the other for good reasons, that's more difficult and probably more subjective. Let me say one more thing. We might be lucky, in which case we get the same answer irrespective of the market definition we [impose].

UNIDENTIFIED MALE: That would be awesome.



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UNIDENTIFIED MALE: That's always the goal. If you're defending a merger, you want to say that this raises no competitive concerns.

JONATHAN ZUCK: Regardless how you define the market.

UNIDENTIFIED MALE: [inaudible] define the market.

UNIDENTIFIED MALE: [I] don't really know that, but that's one way to think about this.

UNIDENTIFIED FEMALE: [inaudible] schedule [inaudible] I think there's some confusion about [inaudible]

UNIDENTIFIED MALE: Picking a single TLD is [inaudible]

UNIDENTIFIED FEMALE: Absolutely correct.

UNIDENTIFIED MALE: All right, we're out of time. Here's what we're going to do.

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JONATHAN ZUCK: I think you're right, though. We can do it.

UNIDENTIFIED MALE: Okay. That's our target. That's our target. I'm going to work with Pam and [Aleesia] to put together the call schedule, such that we think we're going to land with that in mind. I think one thing that we should do early on is have Stan or someone else brief us, help us understand how to think about market definition. That would be helpful for me to look at various approaches [inaudible].

STANLEY BESEN: I'll circulate some.

UNIDENTIFIED MALE: Perfect.

STANLEY BESEN: I think I should also circulate on behalf of our chairman a briefing on HHIs so we can do it over a beer.

UNIDENTIFIED MALE: In any case, we should think early on, what's the information we're going to need in order to be intelligent professionals in this conversation.

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UNIDENTIFIED FEMALE: With that, it's 2:30. It's actually past 2:30, so we need to rejoin the other group.

UNIDENTIFIED MALE: [inaudible] China.

UNIDENTIFIED MALE: I thought that only happened after 3:00, right?

UNIDENTIFIED FEMALE: At 3:00? Oh.

UNIDENTIFIED MALE: Yeah, you have a break until 3:00.

UNIDENTIFIED FEMALE: Apparently have a break.

UNIDENTIFIED MALE: Are you going to be there?

UNIDENTIFIED MALE: I'll be there at 3:00.

UNIDENTIFIED MALE: Okay, all right. Just making use of the break.

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UNIDENTIFIED MALE: What happens at 3:00?

UNIDENTIFIED FEMALE: The whole group.

UNIDENTIFIED MALE: The group as a whole convenes?

UNIDENTIFIED MALE: Right.

UNIDENTIFIED MALE: One thing is the data [were] connected to [inaudible] and [inaudible] update [inaudible] about [inaudible]

UNIDENTIFIED FEMALE: I'm going to.

UNIDENTIFIED MALE: Yeah.

UNIDENTIFIED FEMALE: I am [inaudible].

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UNIDENTIFIED MALE: No, you're not. No, [inaudible] [advertisers].

UNIDENTIFIED FEMALE: [inaudible] I have a regular call scheduled.

UNIDENTIFIED MALE: He took detailed notes at our meeting yesterday, as well.

UNIDENTIFIED FEMALE: I'm going to touch base with him and talk to him about your schedule, as well.

UNIDENTIFIED FEMALE: Okay.

UNIDENTIFIED MALE: [inaudible] [break].

UNIDENTIFIED MALE: Thanks, everyone.

UNIDENTIFIED FEMALE: Thank you.

UNIDENTIFIED MALE: The next meeting is from 3:00 until ...

**[END OF TRANSCRIPTION]**