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LAUREEN KAPIN: So, Carlton, I'm going to let you take it away with presenting your reading list items.

CARLTON SAMUELS: Sorry. My one was the ICANN Registry Agreements. Notice that they say, "registry agreements." And this one speaks directly to topic 4, the procedural issues.

UNIDENTIFIED MALE: What did you want [inaudible]?

CARLTON SAMUELS: You're recognize that it says, "registry agreements," because there is a base agreement. But then, depending on the registry, you could have changes – substantive changes sometimes – to the base registry because of the bilateral negotiations.

The first, the base agreement formally covered in about seven articles there the intention/expectation for the delegation/operation of the gTLD. It also frames the process by which they can be amended, and so on.

As it relates to our procedures for safeguards, trust, and consumer protections, I was really looking at it to see where the responsibility is, if it actually says anything about responsibilities. There are a couple of things that jump out at you. The first thing is that the base agreement is considered a community-developed agreement. A lot of people will

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have an issue with that. And they think it is because it was put to public comments. That's the rationale for it.

The amendments is bilateral between ICANN and a group representing the registry stakeholders. They may comment on them, but there's really no standing otherwise. They're negotiated agreement. I can tell you that when we were in the ALAC, we tried to get in on the negotiations, and we were rebuffed.

The base contract is ten years, renewable. Here's something that is interesting. The technical acceptance – that is, the user technical acceptance – of it, the agreement says clearly that it is the registry operator that has that burden, not ICANN. If users have problem using the domain, it is the operator that is at fault, and they're the ones who have the total burden of ensuring that is operating.

The services that the registry offer must be approved by ICANN, and they must also be in line with the consensus policies. In the variation that you have to that service agreement is the very first article there that says what the service is the registry will provide. Those have to be approved as well.

Price changes must be notified to ICANN and registrar. There's a new policy now that is just out for public comment, that ICANN now says that you don't have to notify them of the price changes. And that is a new update to this policy. That's out for comment. I don't think that is unreasonable. After all, the registry is still required to notify the registrars, who are the ones that have more skin in this game than anybody else.

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Registry fee consists of two parts. There's a fixed fee, and then there's a transactional fee. [Competitor] registry operator to escrow registration data, and the escrow agent must be approved by ICANN. Of course, there was publication, the registry WHOIS, there is a publication requirement for that.

Here's something that you see. In terms of dispute resolution, the preference is for mediation and arbitration. If you can't meet the first one, mediation, then you go to arbitration. And then presumably, if there's a stalemate at arbitration, then something else might follow. But what is important here is even with respect to the dispute resolution, there are some articles in the registry agreement that are [in fence]. They cannot be part of the resolution framework. And interestingly, Spec 11, which covers the PICs, is one of those. SLAs are also excluded, and those pertaining consensus policies are also excluded. And if you look through the base contract, you will notice that Clauses 6 and 7 are the pertinent ones there in respect of those exclusions.

The registry operator is compelled by contract to indemnify and defend ICANN – indemnify and defend – and directors, officers, employees, and agents – it's very specific, what it says – from all third-party suits, liabilities, costs, and damages. And some people believe, at least in the community that I caucus with, there's always been talk, but maybe if we had third-party liability enforcement, we'd be a lot stricter. Just throwing it out.

UNIDENTIFIED MALE: Compliance.

CARLTON SAMUELS:

And compliance, because there's always going to court. So compliance will be stricter, because ICANN would have third-party liability risks, and therefore it would be much more quick to enforce the rules.

The registry [is to] batch report specific data every month in a specified format. That is the compliance reports. You'll see, I believe the list also contains some examples of the compliance reports.

We say all that though to say that the amendment process – and remember, this is a base agreement. So when you have the bilateral negotiations, that is considered an amendment process. And it can only be initiated by ICANN or the registry stakeholder group once a year. And then if you're deadlocked, you have to go into mediation. And then if that fails, then you go to arbitration.

The amendments are also subject to public comment period, and all the registries are notified. So even if I am having an amendment with one registry, as long as there is agreement, you have to publish that for comment. And everybody in the stakeholder group must be notified, on to one. That is very interesting.

Public comment period must last a minimum of 30 days, and that can be extended by ICANN. And you do have a model that says that we take into account public comments after them, and they may incorporate public comments into the final agreement. Most people are not so willing to say that is a process that works very well. So far, we haven't seen any real examples of any significant change in that context.

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The final agreement becomes effective 60 days after the legal notice is served on all of the registry stakeholder group. And I just made a note there that says the Specifications 6, 7, 10, and 11 are the ones that we are most interested in, in this group, because they're related to safeguards and trusts.

So in my view, I'm looking at it, the third-party liability is probably the only issue here that I think is of any great substantive change to that.

UNIDENTIFIED FEMALE: [inaudible]

CARLTON SAMUELS: You have a process for amending the disagreement. You have a process for public comment. And the only major change that I would see, in terms of disagreement, is if they were to adopt third-party liabilities, in my view. That's the only substantive thing I think they could do.

LAUREEN KAPIN: So let me just ask you also to comment on – I understand that you are looking at the agreement and thinking about how things can be improved. But let me also ask you to be a little more explicit about how you think that relates to the New gTLD program and consumer trust, if you can draw that connection more explicitly.

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CARLTON SAMUELS: All right. The safeguards and trusts are contained in Clauses 6, 7, and 11. And they actually have rights protection mechanisms, availability of the domain. They talk about abuse mitigation, name collisions, and so on. All of these elements are there.

Those elements are actually not subject to mediation or arbitration. They're not. They're outside of it. So if there is a dispute, if I am a user and have a dispute in regard to any of those safeguards, I don't have standing in the dispute. I do not. It's very clear. It says those are outside of the dispute resolution process. So I don't see any substantive change that you could bring to disagreement through that process. I really don't see anything that you could do, because the ones pertaining, the ones that we're concerned with, are [inaudible] from arbitration and mediation.

So if the only major difference that you could have invoked in this instance is if you had third-party liability capabilities assigned in the contract.

LAUREEN KAPIN: Okay, so you raised two different issues. One is of standing, and one is of third-party liability.

CARLTON SAMUELS: Right.

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LAUREEN KAPIN: And also, you talked about the fact that the safeguards are carved out of the mediation and dispute resolution. But what about the dispute resolution process that is put in place for the public interest commitments, which is where some of the safeguards are? Your statement doesn't talk about that.

CARLTON SAMUELS: No, it doesn't, because we go back to the next one now. If you look at the Registry-Registrar Agreement, there is a very interesting – the policies, the abuse policies, between a registry and a registrar actually embraces a lot of those that are carved outside of the registry agreement, which is the one I'm going to go.

So, for example, if you look at the affiliates abuse policy, if you look at the .RICH policy, just the contract, the one the affiliates cover, and you look at the .RICH policies, which is New gTLD, the domain abuse policies between the registry and the registrar actually give users some opportunity to become involved in the dispute resolution, because they can make complaints there, but specific to the registry agreement between ICANN and the registrar. The end users don't have standing in the dispute there. It is a bilateral process between the registry operator and ICANN. But the registry has, in their domain abuse policy, an opening for end users to raise abuse issues with the registry and the registrar. I think that's where you can attack it, and the abuse policies of registries.

UNIDENTIFIED MALE: Registries or registrars?

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CARLTON SAMUELS:

Registries and registrars. The RRA is the Registry-Registrar Agreement. All the registries have agreements with their registrars, and they have appended to that the domain abuse policy. And they enforce those. Some don't enforce them as rigorously as others, but they do have these policies.

And I looked at a couple more of them. It's not just affiliates and .RICH. I looked at about ten. It's not exhaustive list, given the numbers, but I looked at about ten. And they tend to have the same kind – let me, for example, tell you what they say, just to jump to that.

They cover the same things, acceptable use, and then they talk about what are the unacceptable use, or some just say wrong or bad use of the domain: excessive use of power, position, or ability; illegal or fraudulent action; spam, phishing, farming; willful distribution of malware; [inaudible] botnet command and control; distribution of child pornography; illegal access to other computers or networks.

So the abuse policies have a very wide net to capture abuse complaints from users. And that's how I think they actually go about responding to abuse from end users. And we are specifically looking now at safeguards for end users. I'm saying, at ICANN registry level, there is not much. But at the registry-registrar level, there is a wide net to capture all of that.



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LAUREEN KAPIN: Just to make sure I understand, what you're suggesting as a recommendation is to give end users more standing to address safeguards issues with registries. Is that what I'm hearing?

CARLTON SAMUELS: Yes. I think it would be useful to have users at the ICANN registrar level in a more direct way, I think. Right now, they have no room, none at all.

FABRO STEIBEL: I will go same way as Carlton is arguing, because if you use them as a second level for end users to complain and so on, and if you give visibility for what they do, so then they have the issue of reputation. So then they have a public reputation, and this is a driving model for them to allocate costs, because we know that increases costs, in exchange of differentiation in the ranking of reputation.

CARLTON SAMUELS: That's my feeling too. Yes, Calvin?

CALVIN BROWNE: So we've got three relationships. We've got the registrant and the registrar relationship. We've got the registrar and the registry relationship. And then we've got the registry and the ICANN relationship. I guess there's a fourth one, which is the registrar-ICANN relationship as well.

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CARLTON SAMUELS: Right. Right.

CALVIN BROWNE: So you are saying, “Okay, we’ll let registrar-registrant relationship be now,” you’re going to create a new relationship between the registrant and the registry, or a potential for the registrant and registry to come into play somehow. Is that what I’m understanding?

CARLTON SAMUELS: Yes.

CALVIN BROWNE: Because I think registrars might not like that, when you’re giving their clients... I’m just trying to figure out how it works. It’s the registrar’s client. Now you’re creating another relationship.

UNIDENTIFIED MALE: Bring it up the chain.

CALVIN BROWNE: Yeah. Traditionally –

UNIDENTIFIED MALE: Because there’s a reputation associated with the registry. They know how reputation works.

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CALVIN BROWNE: I'm just seeing red flags here, and I'm not sure why. I maybe need to sleep on them and figure out why.

KAREN LENTZ: I'm trying to think of an example of a case where an end user is wanting to complain about a safeguard and having some recourse at the registry level will be of assistance. So Fabro or Carlton, you both seem to be in agreement. So just trying to think of a case that would illustrate this.

CARLTON SAMUELS: What I'm saying, actually, in one line is that the PICs safeguard, as they are now, they don't embrace registrants. They do not, as they are right now. Because with the carve out, they are not recognized as having an interest in that. That's the first thing.

And secondly, I am also saying, based on my reading of the document, the first place you see the registrant end users actually coming into play, in terms of safeguards, is in the domain abuse policy that most registries have in their Registry-Registrar Agreement. So that's where it stops. So the PICs that we are talking about, the Spec 11, Spec 11 is a bilateral agreement between ICANN and the registry. That's it. That's where it stops.

KAREN LENTZ: So correct me if I'm wrong. Can't anyone file a PIC-DRP complaint?

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CARLTON SAMUELS: No, not in this case.

KAREN LENTZ: Which case?

CARLTON SAMUELS: Not from the registry agreement, no. If you have a dispute, first of all, it doesn't recognize that you can have a dispute in the PICs outside of the mediation/arbitration process. You can't. It's bilateral. The mediation/arbitration process is a bilateral movement between ICANN and the registry operator. That's it. So you don't have any standing to go in front of ICANN where that is concerned as an end user, because it's clear from the dispute resolution that it is mediation/arbitration, and you cannot just walk up and invoke those. That's how I read it. Maybe it's [it].

KAREN LENTZ: I'm trying to clarify the case that you're talking about so I make sure we're talking about the same thing. According to the... There's a form on the ICANN site where anyone submits a complaint regarding a PIC. Then I think that's kind of a precursor to filing an actual proceeding, is that you make the registry aware of the complaint and they have some opportunity to resolve it.

And then I'm looking for the actual PIC Dispute Resolution Procedure, in terms of who has the ability to actually bring a case. But I'm not sure if that's the type of complaint about a safeguard that you're trying to address here.

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CARLTON SAMUELS: As far as we read it, yes, the PIC-DRP only responds to ICANN and the registry operator. That has been always one of the things that At-Large has been concerned about. And if you read it, it's very clear what the process is. Dispute resolution is if there's something wrong, PICs and the safeguards are carved out. And PICs and safeguards is Spec 11 of the contract. Spec 6, 7, and 10 have other safeguards that we are interested in. And it is very clear that those are [inaudible] from the dispute resolution. And they are bilateral.

KAREN LENTZ: I'm just taking a look at the PIC-DRP here. But don't hold up the discussion if others have comments. Thanks.

CARLTON SAMUELS: Okay. Yes, Fabro?

FABRO STEIBEL: I just ask you to upload here the four things that we are discussing in words. So basically, nowadays there's no link between registrants and registry. And the idea would be to create the link between them.

LAUREEN KAPIN: Well, I think – no, no, no. I think what people are struggling with is that this is a complicated topic and really revolves around the specific

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language in these agreements and legal interpretation of it. And I think it's hard, actually, to have that conversation in the abstract.

So maybe what I'll ask you to do, Carlton, is maybe come back to us where you can walk us through the language so that we have a shared understanding of what you're talking about, in terms of who has standing to bring a complaint when there's a Public Interest Commitment that an end user believes has been violated, which is what I think you're getting at. I think we would all be helped by you walking us through your understanding of these contract provisions, because this really does depend on the specific language. And when you're talking about carve outs and who has standing, that gets to be really dependent upon the precise language there. And I think we would just benefit from that.

But at a high level, what I hear you saying is that in terms of who's accountable, who has to deal with complaints, you're concerned that the registries don't have to deal with complaints and you're raising the question of, well, should they have to deal with complaints from the end user? Am I understanding it right?

CARLTON SAMUELS: [inaudible] they have [inaudible] you can see from that, there's no connection with the end user.

LAUREEN KAPIN: Right.

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CARLTON SAMUELS: And [inaudible] not in dispute resolution at all. [inaudible] ICANN, but that's as far as it goes. It is ICANN who could actually [inaudible] one of the things that we always [inaudible] is because – well, I could tell you. There is a [inaudible] record of ICANN and so forth is because you leave it up to ICANN to go out to the transgressor [inaudible] give no way for you to actually push them to do it, which is what brings up the issue. If [inaudible] contract [inaudible] third-party liability, then maybe that would be a good incentive for it to [come back]. That has always been the issue.

So any other questions? [inaudible] back to you [inaudible].

LAUREEN KAPIN: Yeah, I just think people would benefit from a more detailed explanation with the language, and maybe even a visual, yeah.

UNIDENTIFIED MALE: [inaudible]

LAUREEN KAPIN: Yeah.

UNIDENTIFIED MALE: [inaudible]

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LAUREEN KAPIN: Well, that explains the relationships, but it doesn't explain the contract provisions and the carve outs, which I also think people might benefit from having not only a text explanation, but also maybe a visual one.

CARLTON SAMUELS: I will send a text clause [inaudible] that. I won't [practice] the law, but I will tell you what I interpret it to be.

LAUREEN KAPIN: Sure. Sure.

CARLTON SAMUELS: So I can do that. Sorry. Every registry has an agreement with the registrars. On top of their required RRA [10.13] to only deal with accredited registrars, they also have their own instrument that attaches the registrar to them. And in that instrument, the RRA, they have an anti-abuse policy defined in there. An anti-abuse policy actually refers to some of the safeguard and trust issues that are in the Base Registry Agreement in Clauses 6, 7, 10, and 11. And some of them go, and they actually enumerate the types of abuse that they are concerned about.

If you look at the .RICH one, which do here too, the language is a little bit more abstract, but that's all it is. It doesn't quite go through and list all the ones that affiliates does. But if you look at the language that it uses, it tends to be more expansive. It covers a whole lot of things. You could push a whole lot through it without it being definitive what the actual abuse is that they would be interested in.



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What I think it does though is that, in the context that we are looking at, this is a vehicle that the end user can actually use to bring attention to abuses for safeguards and trust with the registry directly. Because this allows the end user to actually interact with the registry operator with respect to those abuses. I think at this level, there is a way. There is a vehicle.

Some of them actually outline very clearly what the steps are for you. There's anti-abuse contact. There's a form that you are allowed to fill in, and so on and so on. There is a commitment to respond to it within a certain period, and so on. They're very specific as to who you contact, how you lay out the charges, and they frame it in forms that they provide online for users to put in. There's very little difference between them.

I think it's most important to notice that this is a robust and well-configured way for end user to get involved with the registry operator in respect of safeguards and trust issues. So that's there, and it seems to work. If you look, they are no required to report abuses and their response abuses. And if you look at some of the compliance reports, you will see actual records of the registry operator reporting those abuses.

I can tell you, from our perspective, the issue has always been whether or not they are as diligent as they should. Let me give you an example. The big one is the form. As you know, there's this legal form thing. [NewGen], for example, has always maintained that the reports themselves do not do justice to the harm that is done to the end user,

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because by the time the registry actually investigates, then the harm is running into millions.

I am not so sure you could get it better, because I still believe that you have to have due process, and that's part of the problem. Most of the registries are not willing to do automatic takedowns of the kind that would probably satisfy a consumer protection advocate, because they have to investigate, and so on and so on. I think that's really a disconnect, absolutely comes into play. The registries, they have these processes. They have these policies. But there are well-defined due process steps. And sometimes, by the time they go through that, escalate [them], it's done. That's where that is.

I think it's important for us to look at those, because if, for nothing else, they would allow us to start gathering more data about the types of abuses and maybe identify the registries that are prone to being abused. Maybe that will tell us something. And with respect to the New gTLDs, I believe that you have to make a comparison between them and the Legacy gTLDs to see if there is an uptick. And maybe, from the data, you can extrapolate what might have caused the uptick. Is it because they are more lax in enforcement? Is it because they are responding to competitive pressure and be a little bit less diligent about going after people? If you guy who registers 100,000 domains, for example, what would be your response to them, as opposed to a guy who registers three domains? That kind of thing. It's one of the things that have been coming up time to time in our conversation.

So then the next one that I looked at was the Global Consumer Research Report. This does not reflect the data that was presented this morning,

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because I just didn't have access to it. What you see here is the 2015 report.

We note a couple of things. The survey was commissioned by ICANN to measure consumer awareness, choice, and trust with gTLDs in general, New gTLDs in particular. The methodology, as was stated earlier this morning, make a distinction between end users and registrants. And you notice that the registrant part of this has not started yet. And what we got this morning as an update is a draft update, which is the second part to this that was expected.

From the old part, we wanted to see if trust and confidence in the DNS is impacting the New gTLDs differently from the Legacy gTLDs, and whether or not we could trace it to any specific gTLDs. They went out on the field with a sample size of over 6,000. It was an online survey. They had 18+ year old as respondents to the survey. It was done in 24 countries across all the continents.

LAUREEN KAPIN:

Carlton, since we've had presentations by Nielsen on this, what I would say is assume we're familiar with what has happened and cut straight to how you think this is useful for us.

CARLTON SAMUELS:

Okay. It's useful to the extent it is baseline data about awareness. They used visitation as the ground floor for awareness. And they found that almost half of the people that they surveyed were familiar with at least one New gTLD. That's a good thing. We will want to look and see how

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much of that is improved. And if you notice, there's a slight uptick on that in today's presentation.

So we have a baseline in 2015. And what we could do now is look at the new figures for 2016 to see how that has shifted. And that will provide us with a good baseline for determining whether or not the awareness has risen in all of the areas, and where we might improve the awareness quotient by doing some things like we are advocating, using different channels to talk about it. So that's all I'll say on that.

And this only has to do with topics 2 and 3, which is consumer behavior, end user behavior, and the developing economies issue. If you notice, in the Nielsen that was presented today, I didn't sense that there was a clear enough distinction between what is happening in developing economies and in any of the end user behavior [caught] measurements. I certainly did not get that we have a clear distinction between that. You could say some things about Latin America and the Caribbean and so on, and Africa and so on. But I didn't think – for example, the one Eduardo was talking about, that 36% of Africans were aware of .email. I would drill down a little bit more to find out what .email has such a high awareness in Africa. I would want to know a little bit more about that. But that's what the numbers suggest here.

So I think it's a good thing, because we have the two 2015 results, and we now have the 2016 results. We can see what has changed, and maybe we could drill down a little bit to see where the trust elements... And maybe, even when we look at it in detail again, because today was the draft report we looked at, we might see some other things that will

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help us to pull out issues in the developing economies, which is why we are interested in the global research anyways.

And then finally, I did the last two, and I put them together, the SAC Advisories. SAC041 had a recommendation to prohibit the use of redirection and synthesize responses by New TLDs. And they had an advisory on best practices of how to reduce the cyber security risks associated with these, as well as with the operating support systems that support New gTLDs. So if you have a registry-to-registry operator as a platform for the whole sale, the registrar has a platform that sells names and so on. So they were not just concerned about the domain name phishing and so on. They were concerned about the systems that people in the chain use to provision domain names.

Why are we interested in this? It's because they feel it will be harmful to the stability and security of the system if you can poison the message chain. That is the first one, SAC041, essentially SAC041 says that if you have a request and it's a series of questions, a conversation, if you are in the middle somewhere and you can capture their request, you could actually substitute a response to the name server. And in so doing, you could do malodorous things. That's what SAC041 essentially says. And they are suggesting that you prohibit the behavior that will allow that to happen.

Then in the final one, they actually gave a list of best practices that would improve the overall cybersecurity framework online. So I think those two together essentially speak about the impact or the threat to stability and security if you encourage practices that allow an attack to poison the conversation in the DNS. And the way you institutionalize the

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security frames and the security behavior is that you follow some best practice. And they gave simple best practice guidelines. That's all I would want to say about that.

LAUREEN KAPIN: Any questions for Carlton about that?

CARLTON SAMUELS: So maybe that's what we did do. What Carlos is referring is that the PDP, Subsequent Procedures PDP, had sent out a request to the SEs to give them some feedback and some issues that are of concern to them. And they sent it to SSAC, and SSAC spoke about this one. But then they also mention three others that they think would be germane to the issue of security. So Carlos is suggesting, and I'm agreeing with Carlos, that we add those to the numbers in our reading list.

LAUREEN KAPIN: So, Alice, can we add those to the reading list?

UNIDENTIFIED MALE: [inaudible]

LAUREEN KAPIN: Yeah, yeah.

UNIDENTIFIED MALE: [inaudible]

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LAUREEN KAPIN: Okay. So, Fabro, I know we're not going to get through all of yours in the ten minutes that we have, but I thought that we could at least get started. Thank you, Carlton, for your very good discussion of those somewhat complicated topics.

FABRO STEIBEL: Okay, shall I go?

LAUREEN KAPIN: Yep.

FABRO STEIBEL: I think the first one, I will select then. I think the Curse of the URL Shorteners is a key one to discuss. It's the Curse. Yeah, it should be at the bottom. Yeah.

So this one I think is important because we measured for URL shorteners in the Nielsen. There is increasing use of this too, and there's a huge challenge for TLDs based on that. So what they're doing, it's a simple research. They're looking for abuse of services that provide URL shorteners, and the results are quite interesting.

The [link] to the experiment shows that URL shortening services have a long way to go before Internet users can trust them to deliver safe links. About half of the most popular services seems to be somehow effective at blocking access to well-known malicious URLs. Basically, they go out

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to all the services. They got the list of websites they knew should be blocked, made a test, and half of the services failed. This means that this is a bypass to everything else that we're doing and might be an area where we can address things here.

Would you like me to explain more or spend more time here?

LAUREEN KAPIN: So tell us, Fabro, how... Sync that up to our focus on New gTLDs and consumer trust. Be a little more explicit about that.

FABRO STEIBEL: That's the shortcoming of the research, because it makes no differentiations between legacy and generic. So this is an issue which we might like to add eventually. It's a very simple methodology they used. So it's not something you can frequency monitor, but something that we can run once or twice. And then we can check for that. It actually will be interesting to see.

UNIDENTIFIED MALE: Can I say? Fabro, if you tell a little bit how the shorteners actually work, show us why it is important to us. That's what it was.

FABRO STEIBEL: Yeah. So the shorteners work as a mask. So when you have a long URL, you just [include] it and make it short. Twitter is famous for using it, because you have a limited number of characters. Instead of putting in



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the whole thing, you just include 10, 11 characters and makes the job. It becomes popular now with Google, with Facebook. People use lots of services providing this. Because it works as a mask, basically you click, and you have no way to read what kind of TLD is involved in that whatsoever.

LAUREEN KAPIN: That's very helpful. What I hear you explicitly saying is that this is really a data request for us. Is there way to gather information that compares Legacy gTLDs and their use of URL shortening services and abuse related to URL shortening service with New gTLDs and the same?

FABRO STEIBEL: Yes, exactly.

LAUREEN KAPIN: So I just wanted to make that as explicit.

FABRO STEIBEL: Yes, it is exactly that. We have, for example, QR codes that are being more used, but we don't have the market concentration that we have for shorteners. So we could not regulate that market somehow, because everyone is creating QR codes. But for the shorteners, there's a huge concentration, and eventually there's a trust issue. If they see a shortener with bit.ly, which is a major one, I tend to click and trust. If they say it's Fabro.ly, I don't know the shortener, so I don't click. So maybe you could test run.

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LAUREEN KAPIN:                      Maybe one more?

FABRO STEIBEL:                      Yeah. So the last one is the Symantec Intelligence Report. It's a private sector company, a major antivirus, and similar tools, supplier. And they're just looking at what are the major threats were detected. It doesn't mean they go through, but they were detected. And this is the source that I said is related to your banks and financial services.

So just a little bit, can we just a little bit down? It's the second – yes.

So it's a descriptive analysis of the evolution of Internet threats. Just a little bit up. Yep. But they're looking at targeted attacks, phishing, vulnerabilities, malware, mobile social media, and spam.

So the findings are public administration was the most targeted sector. Organizations with between 250 and 500 employees were most likely to be targeted. In terms of targeted attacks in general, the finance, insurance, and real estate sector was the most targeted. And then when they look at the data, it becomes quite clear that these are the low-hanging fruits for attacks from that point of view. So this might be an argument for us to suggest that some gTLDs might be more reliable [mobile] related to the scrutiny than others. What I'm saying is not base it on the use, but base it on the use for threats. Then we might make a segregation here, a second records.

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LAUREEN KAPIN: So what I hear you saying is that the Symantec study identifies what types of gTLDs are more likely to be the object of threats for attacks, and that might inform our inquiries into the issue of restricted registration policies, for example.

FABRO STEIBEL: Yes, exactly. If you have to draw a line, that will be a criteria to select where to draw it.

LAUREEN KAPIN: Okay. Questions for Fabro, as we approach our 5:00 hour?

CARLOS RAUL GUTIERREZ: I don't have a question.

LAUREEN KAPIN: But you do have a comment? Please.

CARLOS RAUL GUTIERREZ: Thank you, Fabro. The reason The Symantec report, which has a slightly different structure from six months earlier, so we might just put them together. The title is "Internet Security Threats." So it organizes the threats in different chapters. And there is one section about only ten pages long, because the report is 120+ pages. There is one section of ten pages WEP threats, which I think is out of this report only relevant part there.

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FABRO STEIBEL:                    Yeah, it is.

CARLOS RAUL GUTIERREZ:        So it would be useful if we put the two Symantec reports together.  
Thank you.

LAUREEN KAPIN:                    So, Alice, maybe on the chart you could lump those together, since  
they're related. Even though we have two different people looking at it,  
they're linked.

CARLOS RAUL GUTIERREZ:        It's called ISTR 20.

UNIDENTIFIED MALE:                I'm on it.

UNIDENTIFIED MALE:                Just for the record, the SSAC report that I looked at was 041 and 074.  
And the SSAC Chair added 045, 062, and 066 to the list. So we are  
adding 045, 062, and 066 because they recommended that those are  
germane to the security issue.

And by the way, now that Steve is here, he has a hand in quite a few of  
those. So could probably tell you something straightaway about them.

LAUREEN KAPIN: So this relates back to our earlier discussion of adding those papers to our list for reading, to see what the recommendations area. Yeah, okay. And David, who has so compliantly put his placard up to make a comment, you are next.

DAVID TAYLOR: It's a question. When we're talking about the most targeted gTLDs, etc., to me, there's the two points, which you might have mentioned. Whether a TLD is targeted, like a .bank, because we're going to go for bankers.bank as an example, so it's targeted because they think it's a domain name second and top level that's worth targeting. So that's one element. But the other element is where we've got abuse coming from the TLD. So that can be targeted by people to send out from. So it's kind of a two-way process. I'm wondering whether we can capture that and whether any of the other combined stuff we're looking at does touch on either of those, or those together.

FABRO STEIBEL: Yeah, in the Symantec report, it's the bank, not the second level. All the readings I had, they don't mention that. So I rephrase my argument, saying that when I say .bank or .finance or dot-something is more likely to threat, I refer to the topic, to the theme, the industry, not necessarily to the generic. My research that I read doesn't allow us to make the connection.

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DAVID TAYLOR: Because I think that's, obviously, for us on the trust and safeguards, that's an issue. We've got a TLD that's being abused or the registry is allowing it to be abused to do something, so that really is an issue which goes to the trust and everything. So I'm not sure how we can look at that, but we need to try.

LAUREEN KAPIN: So the distinction I hear you making, I just want to make sure I understand it for myself. You're distinguishing between the issue of what types of domains are more susceptible to threats and the separate issue of how registries can enact policies that either decrease risks or increase risks. Am I getting it? Please retool.

DAVID TAYLOR: I'm not sure. I think so. But it's looking at it from the point of view of going both ways. You've got the bad guy, who's targeting a TLD because it thinks that it's going to get some good stuff from that TLD, from the second-level registrations under it. So your bad guy, who's anywhere in the world, is targeting.

But whether a TLD is a home for bad guys is a second point, where they're allowed too. So then you're seeing a lot of stuff coming from that TLD. And if the registry sees that but does nothing, that's an issue. And whether there's any Symantec or anybody else who's looking at that and saying, "Ah, yes, there's much more abuse coming out of this TLD than that TLD." And then what do we do? Because that, to me, is something to certainly be looking at and touches right on our area.

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FABRO STEIBEL: Just a review. I remember the previous review I did with [Kanouj] on – I’m not sure how to say it, but the previous literature review we did, and they have for every Generic TLDs, they’ve tried to look here if they have .bank, if they don’t. But as far as I remember, based on their expertise, and their data is based on spam that they receive, except for two or three major generic, all the uses of dot-something for malware and vulnerabilities is minor. So maybe we don’t even have lots of .banks being used for that.

DAVID TAYLOR: I don’t think it would ever be a .bank. It would be a dot-something generic. I mean, we’ve got anecdotal evidence, because we’ve gone after some of these registrations under that, but it’s not necessarily the TLD. But then you look at the TLD concerned, and you think, “Ah, what are they doing?” And then that goes a little bit outside our remit of shutting one down or shutting two down, but we’ve only gone after half a dozen. But I’m imagining if we’ve gone after half a dozen, then we’re not the only ones going after them, so there’s got to be quite a bit out there.

LAUREEN KAPIN: So now I want to make sure I understand the schedule. And I’ll ask our ICANN staff. Am I correct that the other review team is supposed to be joining us in here? And they’re just not here yet. Yes?

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Okay. So we have a choice. I'm loathe to let you escape the room, but we can either continue – Fabro, you can either continue with your presentations, or we can take a break primarily inside the room. I'm not going to bar the doors, but I'm just mindful that when the other group joins, it would be most efficient if we're still already in the room, as opposed to scattered.

So what would folks like to do? Say it? Yeah, so I'm seeing heads nodding. So, Fabro, why don't you just continue with your presentations, and we'll just stop when the other groups join us.

FABRO STEIBEL:

Okay. So you're stuck with me. "Redirecting DNS for Ads and Profit" [to volunteer], basically what they do in this report, they note some proxies where we look for something and you don't find, someone will redirect you to another website that can have a profit based on that. So they call "error traffic monetization solutions," [lever] the contacts provided by ISPs, customer traffic, in order to rewrite protocol error message developed responses. They say this is a proxy. For example, the interesting fact is that most monetization occurs in Italy, 40%. US, Brazil, yes. Argentina, yeah. Germany, Austria, and other countries is just minor. So some countries are exploiting these more than others.

Easy to relate the two. Registries, registrants, or who is to be blamed for that? It's not clear, because they couldn't track exactly who is responsible for that. But it suggested ICANN was to fight redirecting DNS. So they quote a report where ICANN wants to do it.



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There is a possibility of end user threat in redirection DNS. If I can redirect you, maybe eventually can redirect you for some purpose. But because it is in the hub for redirecting, because it requires a big player to do it, it won't be a common threat. It needs to be a very sophisticated threat and someone being responsible for that.

They have a concern that up to 1/3 of traffic is redirected in some major countries. There is a possible [inaudible]. Now, this is not a Generic TLDs particular issue, so I don't think it's something we should take under consideration.

LAUREEN KAPIN: Okay. So it's interesting that it's not really something that we're going to pursue. Yes?

FABRO STEIBEL: Yes.

UNIDENTIFIED MALE: [inaudible] one piece to that.

LAUREEN KAPIN: Okay. So thank you. Thank you, Fabro, for getting through what you did. Now we're going to go back to our plenary group, and I'll let someone else take the helm here. Thanks, everyone who made their presentations and everyone staying so engaged. And a special thanks to

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Fabro, who actually volunteered for his articles, and those of you who also volunteered for your articles. I really appreciate that.

JONATHAN ZUCK:

Okay. Welcome back, everyone. This is the somewhat unstructured part of our program. What might be worth doing is literally taking three minute a piece, between Jordyn and Laureen, to just talk a little bit about what you did in your sub-team and what you're likely to talk about with the rest of the group tomorrow, like what kinds of questions we were trying to ask, that sort of thing. And then how the use of the template's coming or whatever.

And then I know that we've got another celebrity guest here in the form of Steve Crocker. So we might want to give him a few minutes to share some thoughts about the review, as well.

So why don't we start with Laureen, a little bit of a report back, and then I'll go to you, Jordyn.

LAUREEN KAPIN:

So we spent the afternoon primarily engaged in two tasks. First of all, Brian led us on a very helpful discussion of the safeguards and how we might measure the effectiveness or impact of the safeguards. And these ran the gamut from the Public Interest Commitments, rights protections mechanisms, and other required safeguards. And I think it's led us to an interesting analysis of what we can measure, how deep we want to go in different topics, and also a realization that we're not going to be able to do everything. We're not going to be able to gather data on every

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single safeguard. There's not going to be data on every single safeguard. And it really is going to be an important and, I'll say, crucial part of our task to prioritize which safeguards we want to focus on. That prioritization is going to be key. So that was the first part of our discussion.

The second part of our discussion focused on our still-expanding reading list of articles, data sources, reports that we have divided up. And every team member has responsibility for certain sources. Every team member is now giving reports back on these sources through – and I'll borrow Jonathan's good phrase – the prism of our task to consider whether the New gTLD program has had an impact on consumer trust. And this exercise has been both informational – i.e., share with the group about what you've read – and then, too, a sort of green light or red light about whether this particular source is useful for our effort or not. And if it is useful, how? So that's what we've been getting summaries about. And we've heard from Drew, from Carlton, and from Fabro about a variety of different sources and how they may be useful to our effort.

So that's my short summary.

JONATHAN ZUCK:

And do you feel it's the sense of your group that they are easily falling into the template that we all developed together for the group? Or does that require changes? Are you able to use that as a way? Is that prism working, I guess?

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LAUREEN KAPIN: Rather than me answering that question, I'd like to actually put it back to Carlton, Drew, and Fabro, who have actually been presenting today and have had the firsthand issue. And then Davis also – I'm sorry, I skipped you.

UNIDENTIFIED MALE: [inaudible]

LAUREEN KAPIN: Yes, yes. And David, too. Did I skip you?

DAVID TAYLOR: You skipped me twice.

LAUREEN KAPIN: Twice. Well, you know, if anything's worth doing, David, it's worth doing twice. My apologies.

DAVID TAYLOR: I'd just like to say, we're also going to ask you to do a full demonstration of what you made us all do, if you carry on like this.

LAUREEN KAPIN: I thought that was going to be our secret.

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DAVID TAYLOR: [inaudible]

JONATHAN ZUCK: And so just to refine the question, as you were doing reports on the reading list, do you feel that it was unduly limiting? Like were you having to leave things out that you would rather have included, because of the template? Or was it a good guiding way to present the information? That's really the question.

DREW BAGLEY: I think it was a good way to weed out issues that weren't relevant to the New gTLD program but were interesting, because I think without the template, we would have gotten a bit more lost in the weeds. So I think it was good, especially to emphasize the fact that we needed to see what research questions existed in the readings and then perhaps formulate our own at the end, see where that led us. So I think that was probably helpful for – I don't want to speak on behalf of everyone, but as a spectator even for other people's presentations, it sounded like it was helpful.

UNIDENTIFIED MALE: Yeah, I think it helped. Not all of them will fit neatly into the framework. The SSAC ones, for example, won't fit neatly into the framework, but it helps. I'll tell you why. Because if you focus on the topics, the questions that we want answered, it helps a lot to bring focus to it. And not every one will fit, but enough of them fit to make it worthwhile, as far as I'm concerned.

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LAUREEN KAPIN: And David, who absolutely presented today, and cogently too, please share your views on this with us.

DAVID TAYLOR: Thank you very much for that. That's getting better.

JONATHAN ZUCK: It was an opportunity to pass him over again. It was a golden opportunity. I handed it to you [inaudible].

DAVID TAYLOR: And that's why Lauren is Lauren, and Jonathan is Jonathan.

Well, I can only reiterate now. I think, yes, it certainly helped focus, having that in mind as you're going through. I find it a little bit difficult to make the things fit in where you wanted to. The research, I think, "Okay, what research do we need to do to get to this point?" I don't know, so I left it blank. But I think we can discuss that, and we'll refine it. So the focus is there and definitely useful.

JONATHAN ZUCK: Again, check this logic. The thing you were reporting on was the research for that particular row. That was the idea, is whatever that document, that study was, etc., was the research. And then was it helpful, and what kind of conclusions were you able to draw from it? That's the idea, anyway.

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Okay, Jordyn.

JORDYN BUCHANAN:

All right. So we spent almost all of our time working on defining projects that we attempted to map to the six big questions that our group is trying to answer. Stan had done some admirable work in advance of seeding our list of projects. And we went through that list and then spent some time talking about data availability and general principles of using data, and then spent a little bit of brainstorming time and discussion talking about individual projects that we might do to help address the big questions that we're trying to answer.

So examples of those range from relatively simple analysis of existing data. So, for example, Stan had suggested that in addition to the market share data the Analysis Group is already calculating for the New TLDs, that we also calculate some market concentration statistics, like the four-firm and eight-firm concentration statistics and the HHIs. That's just, I think, taking numbers that Analysis Group already has and running them through an equation. So that's relatively straightforward.

At the other end of the spectrum, I think we identified a desire to see, for example, what effect the New gTLD program has had on resale prices or listed prices in the secondary market of, for example, .com domains. And for that, we would have to get price data from an aftermarket player like [CITO] and actually look and see what the price changes have been like.

So some of the projects are quite simple, and some of them, we know what we want to do. We just need to actually see whether we have the

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data availability or not. The good news is I think we started the day without projects identified for, I think, four of the six big questions that we wanted to answer. And now we have at least one project identified for all six of them. So I think that gives us a rough outline of where we're looking for data analysis to occur in order to attempt to answer each of those six big questions.

And I think in general, we feel like, I would say for probably 80% of those projects, we have reasonable either ideas of where the data is or reasonable access to the data already. And for the other 20%, it's a little bit more speculative as to whether we could get it or not. We rejected a couple of projects that were proposed because they seemed too cumbersome to perform, and there's one or two others where we've asked the staff to come back to us and let us know what they think is feasible.

I also note there's a couple of the projects that actually interrelate, I think. The Safeguards & Trust Team may already be doing essentially the same work, and we would happily delegate our projects to you if that's the case. So, for example, one of the questions came up is like – and actually, some of this may be happening as a result of the TMCH review as well. But for example, has the TMCH reduced costs for trademark holders, in terms of UDRP or URS disputes? So I don't know if you guys are looking at that or not. But if so, that would be great. If not, we'll either do it ourselves or look to the TMCH review to do it.

And there is one other topic too, but we'll – pardon? It's too late to... Megan is telling me that safeguards is the other thing, but obviously that's a large surface area. But maybe tomorrow. I think tomorrow we



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have a session where we're doing a more formal information exchange, so we'll make sure we're prepared with our topics by then for further discussion.

And then we spent the last little bit of our time talking about market definitions. One of the things, when we're taking a look at the topic of competition, the question is, competition in what market? And although I think we don't believe we're necessarily going to be able to come up with a canonical definition of what the market looks like, what we're attempting to do is come up with several hypotheses for what markets look like and say, "If this was the market definition, how is competition working within that market?"

We have three sub-sub-groups working to come up with market segmentation definitions. One's based on topic area, one's based on geography, and one's based on language. The topic area group is doing quite well. They've come up with a little bit of a head start, because Analysis Group had already done some segmentation based on topic area in their Phase 1 report, and presumably again in the Phase 2 report. And so this would be grouping TLDs by photo, photos, photography, pics. Those would all sort of be a topically related market.

The second and third groups are doing a little less well. We're going to spend some time tomorrow in person trying to come up with lists of TLDs that group together during our breakout.

And we had a good discussion at the end about agreeing that we were defining these groupings based on whether or not we thought that the

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TLDs within the group would serve as substitutes for each other, because that's really what's going to form the market.

That's, I think, a rough summary of our activities today.

JONATHAN ZUCK:

Thanks, Jordyn. Thanks, Laureen. And thanks, everyone, for your hard work this afternoon. As you know, tomorrow morning we're going to have a breakout session that includes all of us and be talking about the application evaluation process, and going through a similar exercise to what you just went through of developing what the questions are. As we've come to put it in the Competition and Choice Sub-Team, the projects which, at the very simple [sublevel], calculations we might perform to look at how to answer some of the questions that we've identified that weren't in overlap with the PDP. So that's something to look forward to in the morning, so get your head there. Go back to the Project Implementation Report as something for some late-night reading after dinner to get in that headspace for the morning.

As you all probably have noticed, Dr. Crocker has joined us, because he happened to be downtown already, and heard that we were in town and, as it turns out now, can't join us for dinner. And so I thought I would give the floor to you for a few minutes to share your thoughts on the review, its role in the universe, and competition in the DNS.

STEVE CROCKER:

Right. I don't have anything really substantive to say. I'm delighted this is going on. This is the fourth of the AOC reviews, and it's been long

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awaited, and now it's happening. So we have no track record on how this goes. And from what I can tell, from my brief experience here today and watching the run-up to it, you guys are very well organized, committed. It's really a pleasure to see.

But I will, as a way to close the afternoon, share a small anecdote, which you may appreciate. I took a formal course, paid a lot of money, devoted to how to chair a board. They actually have courses in this at [NCOD]. It was a high-class course, three intensive days. A whole series of different issues, but one of the things was the shape of the table, basically, and where people are seated. And one of the problems that I had wrestled with over a long period of time was we have a board that's about the size of this, and it's hard to see all the way, and so forth.

And one of the problems that I had – this is a very, very small, what my son would say a humble problem – is one of the board members was continually annoyed that I wasn't calling on. And I can tell you that in the internal social structure that one keeps in one's mind, this is not a board member that I would ordinarily overlook. And so all of a sudden, I had a flash of insight that if I rearrange the shape of the table, so instead of a U like this it was a closed circle and we could bring people closer together, that it would work. So I did that. And I put a lot of energy into that and made sure that we did that.

So then we have the next meeting, and the same thing happened. I had to diagnose what the problem was. This particular member leaned back, and the sight line was just wrong.

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And so the next time we convened after our break, I had a name for that person and put that right next to me, and they picked up the name and moved it to somewhere else. But anyway.

So I was thinking of you, David. You wouldn't be a guy that would ordinarily be overlooked. And it just brought it all back into...

You might be doing some other things that are important, but that's what I got out of this meeting.

JONATHAN ZUCK:

[inaudible] that you learned in board chairmanship class? What were the takeaways [inaudible]?

STEVE CROCKER:

Well, a mixture of things. We had 21, 22 people. We had the same number of people in the class as we typically have on our board, and the boards that they were all from are typically four or five people. And so they go around to everybody, and I said, "Well, this is the size of our board." There'd be this gasp, like how can you possibly manage anything like that?

There were issues of making sure that if you have cliques, that you break them up. And then there were issues of how to keep people motivated in the face of a big adversity, and a whole series of other things. Happy to share the syllabus with you, if you want.

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JONATHAN ZUCK:

One question that comes to mind is that I know that one of the things you do with your board is divide them up into sub-teams as well, to discuss particular topics or something, and then come back and present findings to the broader board, to some extent. Is that...

STEVE CROCKER:

I wouldn't have gravitated toward that. We have committees, which are standing committees that have territory, a topic. We have a finance committee, and audit committee, a risk committee, an organization effectiveness committee. I'm missing one or two. Board governance committee, of course, yes. I think that's the bulk of them. And each of them have an ongoing agenda and some things that they have to do, and then they report up to the board. So we structure those each year, assign people to them and so forth. And then we have, in addition to that, sometimes working groups that are less formal. And we put them together if there's something.

We don't typically get together in workshop format like this. We have occasionally, and then sent people off to do things, had some exercises. Mixed feelings about those, depending upon what it is, like that.

I know there's a lot of mystery about what the board does. And it's finally penetrated into my mind that we should do something about that. I've really spent most of my energy trying to get the board to operate efficiently so that we're not in the way. Prior to my being Chair, my prior two Chairs had enormous physical stamina. We had session going on until 3:00 AM where they were personally writing and drafting

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resolutions, and it was physically painful. It's also very bad craftsmanship. It's just bad to do that.

So the reason why the public board meetings that we have are so boring is because we get the work done ahead of time. And then it is pro forma. And I viewed that as a feature, but I have now understood, with all of the discussion, because that isn't where the real work goes on, nobody has any idea what we really do. So we're working on how to move greater transparency and all of that. That's way off topic from what you guys are doing here.

You're operating at a very interesting moment in time, where the Affirmation of Commitment reviews are being brought into the Bylaws. I'm not sure this particular review – I haven't paid any attention to it, but I don't know what its future will be. I don't know how that plays out. It's one thing to do a review of security, stability, and accountability and transparency are all going to be perennial. This one is tied to the pace of the gTLD program. And I'm just anticipating an issue of three, four, five, six years down the pike as to what the next one will look like. But fortunately, it won't be my problem.

JONATHAN ZUCK:

Okay. Does anybody else have any other... Thank you. Does anybody else have any other business or questions for Dr. Crocker? Anything else you want to bring up before we give you a little break before dinner?

Anyone else?

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UNIDENTIFIED MALE: I can't see you, David.

DAVID TAYLOR: No, thanks, Steve. I do have a quick question for Steve, which is just on this. If there's one thing you'd like to see coming out of this team, what would it be? Apart from a report.

STEVE CROCKER: Well, look, the common sense of it is this. A huge amount of work went into the applicant guidebook. Opened the window, lots of applications came in. A lot of issues were associated with those that then had to be sorted out, that were not 100% [pre-cooked]. And so now we're at the point of having to look back and say, "What issues came out of that, that we should know about?" And all of this is the pressure is to open the window again, either on an episodic basis or on a continuing basis, and go back into business, as it were. That's where a lot of the pressure is.

So the answer to your question is it would be great to have crisp, significant issues identified. I'm sure there's a lot of little issues and so forth. But ones that are easy to understand what the issue is, and then however complicated the answer has to be, that's fine. And then we're all in a position where we can explain it to everybody and, at the same time, not trivialize things.

And it won't surprise me if there aren't answers to certain kinds of questions. But that would be... You guys will know better what issues there are to come out of that. I wish I could be more cogent, but I'm

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really in listening mode. And I will continue to pay attention as this comes along.

I understand that the target is end of the year for a draft. And so that means probably Hyderabad, there will probably be something substantive to chew on or listen to, or pre-drafts or whatever. And Hyderabad is a longer meeting, and so I'm sure that we'll find some time to interact and chat.

And feel free to send alerts in. The board will be, obviously, in Hyderabad. The board will so have its own retreat mid-September. And if there are topics that we want to put on the agenda so that we can educate the board or give them alert or get them up to speed on something, I'd be delighted to do that.

JONATHAN ZUCK: That's interesting. We should probably consider that.

STEVE CROCKER: You shouldn't take that as pressure. I'm just laying out –

JONATHAN ZUCK: Opportunity. It's opportunity.

STEVE CROCKER: We've been at a very, very high pressure situation where trust is always at issue. And I'm conscious that words that I've spoken will be to say, "Crocker said you have to be done by so-and-so." That's not the case.



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JONATHAN ZUCK: We would never do that.

STEVE CROCKER: Right.

JONATHAN ZUCK: So I'll come to you shortly. I have a feeling – we're addressing some of those things. One is ways at times we might interact along the way with the public as a whole. And I think thinking of the board as a separate part of the public is worthwhile as well.

But what I think was cogent, actually, was this notion of focusing on significant questions. And ironically, there was a lot of consternation about the fact that the PDP for subsequent procedures was essentially launched at the same time as the review. And at some logic level, it would make sense that that would follow the review, right, because it would use the review as input.

But when we came down to brass tacks and really went at it with them in an interactive way about where we wanted to focus our attention, what we, I think, discovered is that they were going to work on a lot of detail-oriented fixes to the application guidebook, for example, and specific implementation issues, whereas under our application and evaluation review, the portion of our review focused on that, we're going to work on maybe why there weren't enough applicants from the developing world.

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And so I see that as sort of fitting with your notion of asking a big question and letting the PDP, in some ways, focus on really shoring up a lot of the deficiencies that came up along the way in the program and that we're not getting to that level of granularity.

STEVE CROCKER:

Yeah, you just touched on an interesting topic. And let me be very candid about that. The observation that we didn't have very many applications from the developing world is conflated, in my mind, with the idea that we should have had many. And if you step back, I think it's important to ask the question, why? Now, there may be an answer to that, but in my mind those two ideas are not exactly the same. And I'm not an expert in the developing world. We've got all kinds of people who are.

But I think if you go into different portions of the world and say, "What do you need most, in terms of the Internet?" I have a suspicion that New gTLDs doesn't come up at the top of the list. We've had a little bit of that kind of interaction on the board. We had a meeting in Senegal several years ago, and we had a couple of prominent people from the continent come and talk to us. And one of the main takeaways was, "We don't need money. We need expertise. We can find the money to do things." But their problems were bandwidth partly, but also how to build stronger ccTLD operations and a variety of other things. As I say, except for IDMs, which have a big positive impact, it wasn't evident that simply putting in more TLDs into a region made a significant difference.

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The other thing, we took some half-measures, as you know, in the last round. We allocated a couple million dollars to subsidize some applications. And I really thought that was too little of the wrong thing. The \$185,000 fee is the smallest portion of what it really takes to run a TLD. It's \$1 million or \$2 million if you're going to get going, in which case you're talking about a business. And you better have a business plan. You better know what you're doing there.

And I think even broadly, never mind the developing world, we don't know how many of the TLDs that have been applied for are going to survive and what their impact is going to be. I think we all have a lot of sorting out to do in the market. And if the question to that is, "Well, if you didn't know all that, why did you let the program go?" And the answer was, "Well, that's exactly why we let the program go, is because we didn't know the answers." We didn't know enough to say no, and the default has to be let innovation and let experimentation happen.

JONATHAN ZUCK:

Thanks, David. I think we're sort of on the same page. Right now, it's just an observation about the developing world and trying to form different hypotheses. And one of them is, in fact, that it wasn't a priority. So it may come down to cost, but it may also come down to the fact that it wasn't a priority for businesses or potential applicants in the third world to make those, to do New gTLDs. So we're trying very hard not to be normative on the face, unless the answer comes back, "But for more access to resources or something, we would have done it." Right? Then it feels like there might have been a flaw in the program. If it's,

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“We don’t think that’s what the market is here, and that’s why we didn’t,” then we just walk away from it.

STEVE CROCKER:

And one of the things to be careful, in terms of trying to facilitate or incentivize programs in less well-endowed areas is that they can easily be taken over by external actors, who then take advantage of the fact that there’s an incentive in an area. And they’ll get somebody as a figurehead, but it’s really run from the outside. You have that in the US. You have government programs. You have [ADAY] funding, for example, for minorities and women. And so you find a whole lot of jockeying around just to get that kind of money. But it doesn’t necessarily empower the people that it’s supposed to empower. So it’s tricky business.

JONATHAN ZUCK:

Definitely. Carlos?

CARLOS RAUL GUTIERREZ:

Thank you, Jonathan. Actually, I was going to ask the same question Jonathan put on the table, the relationship between this cycle of reviews that we are planning, now that they are in the Bylaws, and all these parallel PDPs. I mean, we have it in the case of the right protection mechanism, WHOIS, new subsequent rounds. And we are planning already to start the next WHOIS and so on, once the Bylaws are there. What will be your view – because I cannot ask about the

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board – how to organize or coordinate this, other than delaying the cycle? How to coordinate between reviews and policy work?

STEVE CROCKER:

So this is just me, not speaking for the board, not having had a conversation like this with board. But I understand the questions. Everybody's aware of the fact that we are reviewed to death. We've to multiple streams of reviews.

My view of this is that this has to be rationalized over time and that we're so caught up with the frenetic effort to get the transition forward, we're going to be left with a somewhat unwieldy and not fully integrated set of things. And so there's a workload over the next few years to sort this out.

Not a happy answer, but I think that's the nature of the exercise that the whole community has taken on. And if we just did something simple, like say, "Well, let's just defer a bunch of reviews," then some other set of people will say, "Oh, you're just trying to get out of that."

And so I think I see staff members around here who actually have to do the work. What's your view?

UNIDENTIFIED FEMALE:

I have the same worry you have. And I shared some of my concerns this morning with Larry Strickling when we talking about the same sort of thing, about getting the community engaged and making sure that there's enough attention paid to these issues.

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CARLOS RAUL GUTIERREZ: Let me tell you the difference between the beginning of this review and the other one. It was very impressive to get here and know that staff had already begin to report on the New gTLDs, as the GDD had already started to work. The community had prepared indices, and the corporation had already hired Nielsen and Analysis to prepare the stuff. They weren't writing it, let's say, but it was impressive the amount of work that was already ongoing when we started, if I compare it with the ATRT 2 that we have to start looking what happened with the ATRT 1. So it was a very good start this time.

STEVE CROCKER: I really didn't mean to take up this much air time. I was just dropping by.

JONATHAN ZUCK: Conversation inspire other conversations, so to speak, discussion. Anything else? We'll give you guys a breather, and we'll meet at 7:30, what is the equivalent of two blocks from here, really.

STEVE CROCKER: Yeah, it's a short walk.

JONATHAN ZUCK: And we'll see you all there at 7:30.

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UNIDENTIFIED MALE: [inaudible]

JONATHAN ZUCK: Oh, I don't actually know. Is there a meeting? I think meeting there.  
That's why you have maps and everything.

UNIDENTIFIED MALE: Did we get a map?

JONATHAN ZUCK: You did get a map. If you would like, I'd be happy to meet you at 7:30 in  
the lobby and walk with you, if that can be helpful.

**[END OF TRANSCRIPTION]**