RECORDED VOICE: This meeting is now being recorded.

JONATHAN ZUCK: Okay, welcome back, everybody. Thank you for coming back. The reason that I was trying to rush people in is that we have a remote presenter on the line – Andrew Mack, from AMGlobal – who has begun the process of collecting what we've been calling cohorts of applicants in the Global North that are in the Global South, and has also begun the process of reaching out to them and surveying them about why they didn't apply or why they might apply in the future, etcetera, so that we can begin to get to the business of proving this negative, in a sense. And so what I want to do, without further ado, is turn the microphone over to Mr. Mack and let you get to your presentation, and then we'll ask questions at the end. That'll probably be easier, since he's not here to see people raise their hands. So write a note if you've got a question, alright? Thanks a lot. Andrew, go ahead. Thanks for being here.

ANDREW MACK: Sure. Can you hear me?

JONATHAN ZUCK: I think so, yes.

ANDREW MACK: Okay. Good morning – good afternoon, everyone. I wish I could be there, but this works out pretty well, as long as everybody can hear me.

I am happy to take any and all questions, and to give everybody a tiny bit of a frame around this. Obviously, we are a balanced – we are knee-deep into the research and into the interviews. The goal, as Jonathan said, was to try to get a clear sense of the kinds of people who might have applied, using the filters that we had from the people that did apply. So analogues to the kind of people who applied from the Global North, in the Global South, and to understand a few things about them.

Number one is, how are they different? Why did they choose to apply? If they did get into the process, what kept them from going all the way through the process, if they didn't go all the way through? And what advice do they have for ICANN? It's been exceedingly interesting right now, the kinds of things that we're getting. We've purposely chosen a pretty wide variety of groups – different sectors, different areas of the world. One of the big things, as we've discussed in the past, is that there is one obvious area where it's a little bit difficult for us to replicate what we have in the Global North, and that is in trying to find people who might have [inaudible] investor groups, because there doesn't necessarily seem to be a very easy way of capturing that that would be accurate. And so, what we've done is, we've tried to look at diversified groups that [AUDIO ECHO].

JONATHAN ZUCK: Andrew?

ANDREW MACK: Yes, sir?

JONATHAN ZUCK: Can you just slow down just a little bit?

ANDREW MACK: My apologies. Okay. And whoever was just speaking back there, you sound very distant, so if you need me to do something, just go ahead and shout out. But I can't hear your words very well.

In any case, let me just dive right in, and I will endeavor to go much more slowly. Apologies for that. Okay?

So I'm moving to slide number two, and that is "Understanding the Key Questions." The way that we broke this up in parts after having received feedback from people from your group, which we appreciate very much, was to focus in on what are, effectively, four different lines of approach. Number one was awareness: what did people know, and how accurate was their knowledge? Number two: key barriers or constraints, whether or not people considered applying – because as we know, most people did not consider applying – but many people have some level of knowledge. The third one was, "What were the most attractive uses that the interviewees saw for potential new gTLDs?" And I mention this because we are, as ICANN veterans and insiders, very focused on this process and very focused on the whole idea of new gTLDs. But I'm sure everybody knows that there are [inaudible], this is still a really, really, really small portion of humanity that knows that this is going on. So as we are looking at it to try to understand from their perspective – number one, how did they see their potential business models for these kinds of new gTLDs, and what questions did they have

about them? And then the last thing was advice – advice they could offer ICANN. How best to reach out? What key messages and key questions needed to be answered? What key tools were necessary? And, related to that, what kinds of ways did they recommend that we as a community might be able to support possible applicants in the future?

Is this speed, by the way, a little bit better for everyone?

JONATHAN ZUCK: Yes, you're doing great. Thank you.

ANDREW MACK: Okay, sure. Apologies [inaudible].

So let's go to slide three, "Knowledge Base." What we saw was an incredibly varied base of knowledge out there in – we've done about not quite half of all of the interviews; actually, exactly half of the interviews. And not surprisingly, many had no knowledge of either ICANN or the new gTLD program. Many had small bits of knowledge, including some significantly incorrect information about things like price. Now, when we first went into this process, we said, "Well, really, ICANN isn't the issue. What they really need to know is – whether they know anything about ICANN or not – they need to know that it is possible to get a new domain extension, a new GLD." What we found as time went on is that there were enough people who really didn't understand ICANN, and that actually became a bit of an issue. So one of the things that we have to think about is, perhaps, building our visibility.

The second thing – no interviewee to date felt that they had complete, but the right kinds of information. This is really important, because this is almost universal across the board. A number of interviewees described the information as confusing, dense, or not accessible enough for non-insiders to use. I think that's good advice for us as we go forward. We have a tendency to say sometimes, "Well, it's there on the website." I remember one of the people that I talked to, and I think it's in a later slide, said, basically, "I didn't have the time to become an insider. I didn't have the time to go into all of this." So if they perceive it as too high a bar to get in, they may not decide to take a serious look. We had an interesting Nigerian CIO who said, basically, "I have no real context for all of this."

So, to the next slide: "Getting Information." For those that have their information on the program, one of the things that they gave us as feedback was that there was no real consistent way of learning about the new gTLds, of learning about the process, of learning about the flow of this – that different information sources they used included blogs and Internet postings, registrars, [inaudible] things. We forget that it's not one snapshot in time. Actually, this program is going on for a while, and people are still learning as the early applicants are already trying to get their new gTLDs out into the marketplace. News stories – some relatively basic – and then ICANN and other tech events were all cited as ways that people had heard about the program.

But the most important source of information, by far, was the networks of the different interviewees. And we found that that was both a positive and a negative. Some of them found that, through their networks, they were able to get a sense of whether or not this was

something that they could wrap their heads around. We, on the other hand, found that there was not – that a lot of the time, network information didn't take people far enough. It didn't give them a sense that they really knew that this is something that they wanted to take action on.

JONATHAN ZUCK: Andrew?

ANDREW MACK: Yes, sir?

JONATHAN ZUCK: I don't want to disrupt your flow, but there are a couple of people that are wondering about the characteristics that you identified in the current applicants, and to find these analogous companies, and what the characteristics then were of these [inaudible]. So people are still wondering who it is that you talked to.

ANDREW MACK: Oh, okay. So –

JONATHAN ZUCK: What kind of people, what kind of entities, what kind of people within those entities, etcetera. Who did you end up interviewing?

ANDREW MACK: Got it.

JONATHAN ZUCK: Or, in the process – I know you're in the middle of it. So, who are you interviewing, I guess?

ANDREW MACK: [inaudible] Was there another question?

UNKNOWN 1:   [inaudible]

JONATHAN ZUCK: That's it.

ANDREW MACK: Okay. So – sure. And this was contained in our earlier report, but I'm not sure if this is totally [inaudible]. So what we did is, we took a look, as Jonathan mentioned, we're looking for people who are analogous to the kind of groups, companies, and others that applied mostly from the Global North in this most recent round. Okay? And when we did that, we looked at a series of different sectors and tried to adjust them regionally.

So the kind of sectors that we're looking at are the kind of sectors that are represented in the groups of applicants that we had in this most recent round. They may be finance houses, they may be industrial

groups, some consulting, some insurance, some in the area of tourism, a few communities. We also added some that we thought were particularly valuable in Global South – a few more around sports, a few more around geographic things, and that kind of thing.

So, using the same kinds of sectors that received demands in this most recent round, just mostly not from the Global South – that's number one – so as to be able to say, "Okay, big banks, for example, in western Europe and the United States applied. What about big banks from the Global South? How did they see it?" Things along those lines. Like I said, we normed that a little bit based on regions. So one of the things we were looking at, for example, was, in sports teams and sports team sponsors – because, as one example, soccer being hugely impactful both in terms of media and also in terms of touching large amounts of society – in many parts of Latin America. In terms of the kinds of people that we were talking to, we were talking to the equivalent, to the best of our ability, the equivalent of the kinds of people who applied from the Global North. So it could be chief marketing officers, or it could be chief technical officers, or information officers. Sometimes, it's other people in high levels of management.

What we did find – and I don't think that this is hugely surprising – is that, the larger the company, the less likely people were to respond to our outreach. And so, as we have done working with the ICANN team from Latin America, we are leveraging networks, and some of the larger companies it would probably take us too long to actually get to the decision-maker. We have, as a result, worked with a combination of the very largest companies and some a little bit smaller, just to get the kind

of details, data that would be represented above those markets. Make sense?

JONATHAN ZUCK: Yes.

ANDREW MACK: Okay. Anything else on that? I also have a little – I will move it forward.

JONATHAN ZUCK: And I guess, Andrew, as you go through this – and maybe you haven't gotten to a statistically significant enough sample – but as you go through these different types of respondents, are there any trends in terms of the way that they're answering these questions?

ANDREW MACK: Yeah, it's a good question. By definition, we're not going to have such a large sample size that we're going to be able to say, "This is what banks say. This is what others say." So what we will be able to do, Jonathan, is to take a look – and we'll get to this, I think, in more detail – we'll be able to know the ways to reach people, we'll be able to know the questions about resources, and we'll be able to know – and I would like to discuss questions about business models, because I think that that is a very significant finding that we've had so far. Okay?

JONATHAN ZUCK: Thanks. Proceed.

ANDREW MACK: Okay. So, anyway, finishing up slide number four, nearly every interviewee expressed a preference that they wished that there had been more information from ICANN, both potential applicants and four members of the general public. That should not say "form." This is something that was almost universal. I think that this is important to inform us.

Everybody that I have interviewed personally, and some of the other members of the team – there was a strong sense that public knowledge was important. And I mention this only because this is something that we kept hearing in different ways, where people would say to us, "You know, even if I get this, if my public doesn't know it, if my consumers don't know it, if the members of my community don't know it, if my potential (if I'm thinking about this as an investor) if my potential purchasers don't know this exists, this good opportunity, I'm not sure that it'll work." And I throw that out only because the level of public awareness in the Global North is not high, necessarily, but is much higher. This is something that people perceived as a significant constraint for them as they made a decision as to whether or not to pursue. Okay?

So, moving to slide number five: "Possible Names for Application." We found that most every person that we spoke with made the assumption that they'd be applying for a domain. So it's not necessarily really surprising, based on the feedback that we got about cultures and [inaudible] in the Global South. But they started off thinking about their name, their identity online. We worked hard to try to offer other

alternatives into the conversation. Some, not all [inaudible] liked the idea of applying for a category or a vertical. We had one, for example, who came back to the idea of .carnival, and another with the idea of [inaudible]. So it's not that they didn't exactly understand this. They got that, although that was definitely not the first thing that came to mind for almost anybody that we spoke to.

There was a sense that this idea of a new gTLD as a speculative investment [inaudible] as a new piece of real estate. There was a sense that this was something that was interesting, but not necessarily in the short term, and that there was some risk associated with that. I'll go to that in a second.

Next slide. So, number one barrier was cost. Few, if any, of the people that we spoke to had any sense of the true cost, but all assumed that it was high. And you might say, "High, relative to what?" And the question is, high relative to other things that they might be able to do with the same amount of money. Okay? I got one quote recently from Peru, which is real money in the developing world, that "we need to think not just in terms of how much it costs," but also how much you could use this amount of money, $185,000 or $250,000, if you include legal and consulting and other potential expenses – that it's not just a question of whether they could afford that; but what could they do with that, if they weren't to do this?

Interestingly, not one of the people that we spoke to mentioned the annual running cost of this as a major issue. And a number of interviewees mentioned switching costs as a concern. We had the head of a diversified holding group and tech group in Pakistan that said – they

asked me, "Will we need to re-brand? Will we need to do search engine optimization? Do we need to do something, ourselves, to pay for public awareness? And will this even resolve on the – if people are using a search engine?" And I think that these issues are the ones that are very much present in the public mind. Make sense so far?

Okay.

KAILI KAN: Um –

UNKNOWN 2:   Go ahead. Identify yourself.

KAILI KAN: Sure, you were saying – Kaili Kan speaking – sure [inaudible] the cost from a registrant point of view, the cost will be the price, the retail price, of domain names, no?

ANDREW MACK: Right.

JONATHAN ZUCK: Just to clarify, this is about potential registries.

[CROSSTALK]

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KAILI KAN: $185,000 to apply for – okay, I understand.

JONATHAN ZUCK: In addition to the $2 million to run a registry.

KAILI KAN: Ah, okay. Thank you very much.

JONATHAN ZUCK: Those are the two different kinds of costs. And then, I think – correct me if I'm wrong, Andrew – I think what you're saying here in your third point relates specifically to what we're calling ".brand," or what you're calling ".name" – but the idea would be, if I were a corporation, if I were IBM of Latin America, and I decided to get .IBM, would I then need to do a rebranding and SEO exercise to get people to find me on the web, if I created that taxonomy for my own organization. Is that right?

ANDREW MACK: That's right [AUDIO ECHO]. But there's also [AUDIO ECHO]. Sorry, I'm getting a terrible echo [AUDIO ECHO].

UNKNOWN 3:   Turn off your mic.

ANDREW MACK: What's also the case is, is that people said, "If I were to do something that was more of an investment, to try to do this and create like a

[inaudible] or a .carnival that might be open to the wider community" – even in that case, there was some question about, would it all resolve correctly, would there be a kind of universal acceptance and all of that, and would people in the general public be aware that that was a possibility to make it viable? Over.

JONATHAN ZUCK: Thanks, Andrew. What I'm going to ask when you produce the final report is, even if there's some duplication, maybe breaking those two things apart. Because I think on our group we're thinking about those things very differently from each other – the .brand versus the kind of generic keyword TLD.

ANDREW MACK: I guess that [AUDIO ECHO].

Okay. Moving to the next – to barriers around complexity and process. Most seem to think that the process would be a challenge. But interestingly to me, very few have mentioned the idea that this would be a technical challenge. More were focused on the difficulty, whether or not they were talking about a category, of the challenges of marketing and of sensitizing the public. A number mentioned the concern about the lack of locally available consulting resources, and I got back an interesting response from a Guinean technology investor, who said, "It's not just a question of having to people who could help with our complications; but also, it's extremely helpful for us to have someone who's going to leave capacity on the ground." So the sense that they not only would learn this through the process, but that they

would be able to know it well enough to continue on, themselves. There was some concern that it was not just enough to have someone parachute in to help them do their application. "I never mentioned the complete lack of information about the time frame, the calendar around the process. The process was [inaudible]. I know I need to do a lot of learning to even consider applying." And this one speaks to this, but documentation was too long and timing too short. We recognized that this is a bit of a moving target, but for future rounds, one of the things that we heard back fairly universally – especially, frankly, if we're talking about something that might be more speculative – that it was imperative to get much more information out about the timing, so that people could plan accordingly.

To slide number eight. So, the biggest challenge that we heard from people across the board was around business model. And Jonathan, this is whether you're thinking about this as a .brand, or thinking about it as a vertical. For people who had brands and were thinking about new gTLDs as a potential area for their brand, or for their activities, one of the big questions was, "What will this add? Is this something I need to do? Where is the urgency?" Talked about sensitizing consumers-at-large. There was some concern that this would confuse people, and there was a strong desire to have much more information about the business model that worked, or that might work. And I recognize that this is a little bit of a challenge, because on the one hand, ICANN wants to provide a level playing field and does not want to get in the business of standing up someone else's business, and I understand and respect that. On the other hand, I had, I think, at least three people who basically said to me, "We feel like we're shooting in the dark. We'd like

to know what business models are out there. What have other people done in the past? How does this look? How could this look?" They can narrow the field. The feeling was that this is more to explain in a Global South context than, perhaps, in a Global North context. And as a result, having the ability to say, "This is how it's been done," either successfully or almost successfully, in the past is very, very helpful.

Next slide, also about the business model. There were numerous mentions of limited penetration of e-commerce in global stock markets, making investing in a gTLD field riskier. And that's perhaps something that we might want to discuss a little bit, is the relationship of this to e-commerce. Is the domain business itself, just the selling of domains, enough? Does it need to have a connection to e-commerce? And is there a role for ICANN in making that connection stronger? I don't know, but this did come up in our conversation.

There was some strong push by a couple of interviewees who said that this could give us shorter names, and this is considered very important, especially in countries where more and more of the work, if not all, is done on mobile phones. So, a short name, fewer things to type, that's good news.

There was some concern about being able to reach wider markets, and what I meant by this is, for someone who is an investor – and this is specific to investors – someone who is an investor, if I got a .serve, or if I got a .cafe, or if I got a dot-anything-that-was -a-vertical, there was some question as to how they could reach in the Global North if they're based in the Global South, how they could reached into the whole ecosystem of registrars and resellers and things of that nature,

especially if they were not already a part of it. That was considered a significant concern. And then, how to make the business case internally? The need for triple sales internally to manage other investors, to the public, and to gTLD purchasers. If you think about for markets where they're – a lot of people, actually three or four people that I can think of, came back and said, "For our organization, whether we would go for a vertical or whether we would go for our brand, I needed a way to make the internal pitch simpler." Does that make sense to everyone? So far, so good? Any questions, Jonathan?

JONATHAN ZUCK: I don't see questions in the room. I'm holding some of my questions to the end.

ANDREW MACK: That's fine.

JONATHAN ZUCK: I mean, one of the complexities that we're going to have here, Andrew, is that we're tasked with identifying issues and potential improvements to the application and evaluation of the process, and so I think we're going to feel like we're treading outside of our mandate to do business model evangelization, etcetera in the Third World. But I don't know. I guess it's something we'll discuss in the group, but I have a suspicion that we're going to run up against our remit a little bit. For this group, if not for ICANN generally, but for this group, in terms of implementing

some of these kinds of recommendations. But keep going, and we'll open it up for conversation.

ANDREW MACK:	Please know – I recognize the limited mandate of both the group, and of ICANN, and the challenge for me is, we're just reporting back the kinds of things that we're hearing. The problem, I think, is that, for the kinds of people that we're trying to reach, that they're clearly not close enough to our ICANN ecosystem, to have necessarily [inaudible] picked it up. So we may want to revisit some of our assumptions about what's possible, or we may want to – we may just say, "Look, it's a good goal, but there's only so much we can do to make this more attractive to the Global South."

Anyway, to slide number ten. I just mentioned these. Shorter name, identity, making money – the one that also came in that I wanted to just reference really quickly, because it hasn't come up in earlier slides – is this idea of security. There is some significant – and this is an issue that cuts both ways – there was a really big recognition amongst [inaudible] people who came from the financial services sector, or who had financial services companies as part of their group – that there are some significant security challenges online, and the idea that a new gTLD could be more secure, that had a keyhole. The question was whether or not the additional confusion might actually do more harm than good, and there was some concern if they got a new name, about how to administer it in terms of their own safety and security, how to keep the space they would get as a clean space with no phishing, [inaudible], etcetera.

So a lot of cultural dynamics. The big pieces – what we are listening for – is how would this work differently, how would this play itself out differently than it would in the Global North? And here are some of the things that came back to us [inaudible]: the lack of local sophistication – this idea that people are still getting comfortable with "What are gTLDs?" was something that was mentioned by a couple of people. Second: the future is all mobile – that nobody is thinking in terms of sitting down to type at a desk. The third was the concern that this could seem too non-traditional, and hence, hurt reputations. I just wanted to flag this, because this is an interesting point from our sponsors in Peru, who said that one of the things that they're trying to do as the country becomes more focused on the web and on domains as the way of doing normal business, was to not shock their constituents too much. And the question was, "Is a new gTLD too much too fast?" Could it feel too non-traditional, and what would that do to their reputation? I'm not sure if this is the same for every country, but there are some countries that [inaudible] this kind of profile. And then the last one – I'll just mention that it was mentioned by a couple of people from Africa, especially our interviewees from Nigeria – that there were significant concerns about infrastructure. Power, and the ability to [inaudible] it could be a great idea, but my ability to make it work in Nigeria may be a little bit hamstrung by some of the constraints of being in Nigeria at this moment. Not to say anything nasty about Nigeria, but it's a fact of life that the infrastructure is still being built out.

So, the last basket of work was around advice. Advice in terms of outreach. The general feeling was, we need much more. We need much more diversified outreach in terms of sources: in-person events,

webinars, [inaudible] specific conferences, and other kinds of events. I got some strong suggestions that we should not avoid the more traditional media as online prep, and that's in part to help build non-traditional – to help build the broader constituency. Whether it is the boss who is not [inaudible] decision about the technology decision to really get this from the CIO, who will lead the nation if they have a little bit of familiarity, or whether it's the general public. There was a broad feeling that we could have done more to have this appear in just the general media in local countries, not in the BBC. Interestingly, things like Tweets didn't show up as particularly effective.

We need to make the communications more frequent and much simpler to understand, and much more intel on the timing of the process, I mentioned earlier. Next slide.

In terms of messaging and questions, one big message that I think would be helpful, and that they alluded to is that, yes, this is something that we can do in the Global South. The second one was, what can they expect in terms of assistance? How can leverage support? What kind of support?

And Eleeza, I'm one slide ahead of you now. [inaudible] this on the – okay, I am on slide number thirteen. The chat shows slide twelve.

Another question in terms of the messaging is the extent to which this fits their market, or fits their reality. And I think that this is something that we'll probably want to be clearer about in our communication. And if we can't go as far as to set up a [inaudible] business model, at the

very minimum I think we can get closer to it, so that people can see themselves in there, if that makes any sense.

And then the last piece around more on ICANN generally, and its role. This is speaking directly to the question of the third person we interviewed from Nigeria about context. Context does matter. And there was this strong sense amongst a number of people that they didn't have the time to become insiders, and is it still available for them if they're not?

So, slide number fourteen: "Key Tools." Clearer timelines and information on how the process works, which we can do. Case studies, mentioned by five different people that I can think of, that would help them understand different business models or different approaches. I think this is something we might be able to offer without going so far as to promote a business model. Just so that people do not feel that they are on their own.

I think that there are some finite answers to questions about SEOs, universal acceptance of other technical issues, that would go a long way toward making people realize that this would work for them. Since it came up, there are groups from [inaudible] that Carlson was kind enough to get us hooked up with, requested specific help with a business model for specific target groups, such as small island [inaudible]. If that is something that we can put together, even in outline form, I think that there will be constituents for it, and it may be very valuable.

We mentioned local consulting resources. I don't know if that's something that we can be in the business of, but perhaps to set up a place where people can go to find those resources. So for example, without endorsing one over another, a chance for people to put up their shingle where they can find them relatively easily; because a number of people mentioned that they wouldn't even have any idea of where to go.

And then we did talk about [inaudible] funding, both entry costs and help defray the costs of the application. And that goes back a little bit to our discussion of Jazz, or Jazz 2.0.

So in summary, which I think is number fifteen – I think I've gone over my time. There are calls for ICANN to do more in terms of communication, in terms of providing clear information, case studies, support during the application process – whether that support is financial support or intellectual support or technical support by getting [inaudible] – and something to show that we're addressing the issues of costs. There is this sense that, especially for categories or, if you will, more speculative investment type of TLDs, that the cost felt more significant. And so we'll want to try to address that in our thinking. And the last is the need to work with Global South voices, others to build workable models that reflect the reality on the ground. Even if we fall well short of actually putting together a business model, there may be certain things that we can do, based on the experience that we have from this first round, to help reflect how this might work, or might be appropriate in an emerging market context that would be different from the experience of people in Global North that might have a little bit

more experience or might have a little bit more price flexibility, and things like that.

So, thank you all for listening. I'm eager to answer questions.

MEGAN RICHARDS: Yes, thank you very much, Andrew. It's Megan Richards speaking from the European Commission. That was very useful. I just had a – well, it's a proposal, really, more as well as a question. I appreciate very much the proposals you identify in terms of doing more, improving awareness, providing more information on local consulting resources, etcetera. It strikes me that, between the gap where there is local representatives for a vast number of countries, and not all of them but many of them in the Global South, let's call them that, and also in ALAC, amongst many other areas within ICANN, itself. By passing these messages through some of these existing advisory committees or SOs, perhaps that would help to pass on some of the information and help these participants to be more active. Now, that doesn't address all of the cost issues and many other things, but at least in terms of identifying local consulting resources, providing more information, etcetera, would that help in promoting these issues?

ANDREW MACK: Megan, I think that – first of all, thank you. Great question and suggestion. Remember, the things that I am suggesting here are, to some extent, reflective of what has been suggested or requested from our people. There's no question we could use our internal communication resources, I think, more effectively. And frankly, to

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leverage the community more effectively. The question is about coordination around the kinds of messages that we're putting out there. A perfect example: some of the things that I think we could get relatively easily is around timing and cost, and things like that. But there's no question that we also need to get the word out to a much wider group of people. Just putting it on the website, just saying to people, "Hey, all of the information is there," isn't clearly wasn't going to get done. And we need to be present. I recognize that there are real constraints against doing in-person kinds of meetings, so I think what we were told is, "Do everything," and to get out there and to give some lead time. That's the other thing, is that it's not just a question of, "Do I have interest?" but also "Do I have the time?" Because we have this idea of the multiple sale, and multiple constituencies that need to get brought up to speed on this, and I think we sometimes forget in the community. We think the round took forever because from our perspective, it kind of did. But from the perspective of the global public, an awful lot of people weren't clued into this, and had no reason to know, and no reason to feel clued into it. So I think, absolutely, mobilizing the GAC, mobilizing ALAC, mobilizing as many parts of the community as we can is a very smart thing. We've just got to make sure that we get messages out there and – simple enough messages so that we can move the ball forward. Over.

KAILI KAN: Kaili Kan speaking. Thank you for your extra patience. I just have a question that whether your study or survey has studied the demand side of applying for new gTLDs in the south. The reason I ask is that my understanding for example, in Latin America, South America, over two-

thirds of their registries' domain names are with ccTLDs. So therefore, the overall tendencies or preference is for ccTLD. Could that be part of the reason that there's less demand for new gTLDs in the south? I don't know, so I just wondered if you have studied the demand side, or whether the south feels that they need new gTLDs. And also, from previous discussions, especially emails, of our group, it was felt that the [inaudible] industry, the registries and registrars, they feel the most urgent need for the new gTLDs. If there is a lack of demand from the south, is that also because of fewer registries and registrars are in the south to begin with? So actually, I'm just wondering if those are two examples, just to say that I wonder whether you have studied the demand side for new gTLDs applications in the south or not.

ANDREW MACK: Great question. Obviously, that's a very, very broad topic, and one that would be, on some levels, very hard to measure in any kind of meaningful way. So what we did is, we tried to – I can tell you what we have heard that I think may be helpful to answering your question. There is no doubt that there are some very strong ccTLDs in parts of the world like Latin America. [inaudible] in Brazil comes to mind. And there is also no question that there has been a large focus on building some of the ccTLDs up. It's kind of difficult for me to know whether – and for us to know – whether that precludes expansion into new gTLDs. It does mean that there's definitely a presupposition that, in Peru, .pe is in the mix, or in Brazil, .br is in the mix. What I can say is, from conversations with some countries that have smaller ccTLDs, there is both a sense of opportunity, as well as a sense of a little bit of concern. For the very, very small ones, I think that they recognize that it may be a possibility.

The conversation around .teracom, for example, as a regional grouping for work on this in the Caribbean, makes a lot of sense to have an interesting business model. And I think that that's one that, if it didn't go forward this time, might go forward next time – similar in some ways to a .africa. I think it is – so on that piece, I think it's hard to know whether or not it keeps people from applying; but it is definitely something to be considered.

In terms of your second point, with the fewer registries and registrars – as I mentioned earlier, we did have one, I want to say two, people who came back to us, who said, effectively, "If we wanted to do this as a category, as a [inaudible], or a .carnival, or something that might be a little bit more speculative or a little bit more of a vertical," they were concerned that if they were not insiders, they might not have access to the infrastructure, itself. Right? To the registrars, to the resellers. And that might be just a bridge too far for them to go. And the lack of local infrastructure that had the ability to go international – the fact that there aren't a lot of registrars in many parts of the Global South was mentioned by a couple of people. It might be something that keeps people from making the decision to go aboard, yes.

Next question?

JONATHAN ZUCK: Andrew, this is Jonathan. I guess my concern is that there's no sort of "but for" analysis here. I'm interested in your final report in being less your recollections about how many people say which things and have you record that, so that we can categorize these and prioritize some of

the things, because the way this presentation comes across in my mind is that you talked to a bunch of people that really had no idea about any of this, and you put out a sales pitch for why people might be interested in having a new string, and then they threw up all kinds of problems associated with doing it. And so, what I guess I don't see is, "Yeah, I had an idea to do it but I felt intimidated by x, and but for x, I would've applied." It's very difficult to – there's always the notion we would do more of everything, but if I work from the bottom to the top of your report, I don't know that there's a need to do more outreach if there is a strong belief that I don't have a viable business model, that I wouldn't be able to reach the Global North with my string, that I wouldn't be able to compete, etcetera – those kinds of concerns are much broader, I think, than us trying to improve the application evaluation process. And so, if I work backwards through your presentation, it's more like there's not a perception that this is a market that they want to pursue, even had they heard about it. So that makes me question how much to invest into making sure that more people have heard about it. Does that make sense?

ANDREW MACK: It does. Thanks for that incredibly positive review. I'm trying to call them like I see them, and the truth of the matter is that if we wanted to survey the Global South, most of the Global South had not heard about this. So if we were to just go to people who had expressed an interest – and we went to a number of people who did – then we did a very, very skewed version of this. And so, that was the task. If you'd like us to, in the second half of this, we can absolutely orient ourselves in that direction to a greater extent. It's a bit of a chicken and egg, in the sense

that without knowing more about it, people are less likely to put on their thinking cap and think about business plans and such. And some of these are just hard constraints. Not knowing about the timeline is a hard constraint; that's something that we can do something about. Not knowing where there are resources to help people get going is something we can do resources about. I myself was surprised by the extent to which people looked at this and said, "I couldn't come up with a business plan." And this is including some people who had actually had some experience of ICANN – one or two people who had even been to an ICANN meeting. And they said, "I couldn't come up with a viable business plan that made sense for me, and then these other things started kicking in. I was interested in exploring it, but I just couldn't quite get the combination of the lack of an obvious business plan, the fact that nobody else had done it before that I had been able to see in my region, and the complexity of it was enough to shake the boat." So I don't think that there's one specific "but for," and that's the challenge in this. If we're going to move forward with another round, then the things that we're discussing that people have identified as constraints are things that I think we should try to address. But the one thing that no research can do is to figure out whether or not this is a good deal for people locally. All I can tell you is what they said, and why they said that they felt that it was a challenge, and if we can address some of those challenges through things like a business plan, or whatever, that may be outside of our remit. I'm not sure if that's a satisfactory answer; we will, at the end, stack all of the things that we hear and rank-order the concerns that we see. And some of them may be things that are just outside of ICANN's ability to control.

DREW BAGLEY: This is Drew Bagley, for the record. Andrew, I was wondering about going back to what you mentioned about the use of mobile in the developing world – in fact, the dominance of mobile in the developing world. I was wondering if, one way or another, with the data you have, you'd be able to determine whether or not that factor alone actually trumps everything, so that even in a perfect world where communication was done through every single possible channel, and there were ample in-person training sessions, and there were, in fact, consultants on the ground that could help from a business expertise standpoint, etcetera, etcetera – if perhaps it wouldn't matter because your sense is that the demand wasn't there, anyway. And that goes a little bit to what you were mentioning a second ago, the difficulty in coming up with business plans. But I was just wondering about that mobile factor.

ANDREW MACK: Well, so [inaudible] question. There are some things that we know about the web and the emerging market flow, and I'm not going to – are we supposed to know more than [inaudible] or others from the regions, right? But my sense is that young adults are going to go to the web through their cell phones, anyway. And that's going to be – that's going to raise demand, lowering the cost of entry – and so you're going to see a huge number of more people who are going to be web-enabled than ever before. If you think about it, fifteen years ago, there were almost no cell phones in Nigeria. Now, there's a cell phone for every man, woman, and child in Nigeria. And the amount of smartphone use is

exploding exponentially all over Latin America. So people are going to get on the web using their phones, who are not already on the web, in the next two years. That's a positive. How it changes the domain name world, I think – a couple of people mentioned it – it's going to push people in the direction of looking for shorter names. I think it's going to push people in the direction of looking for categories that they can get connected to. The question is just, is it necessarily a business that people in the Global South see themselves as running? One of the investors that I spoke to [inaudible] talked about the company, a [inaudible] start-up kind of thing – they're called [inaudible], right? – and he said, "I can see getting [inaudible], but I'm not sure I could see necessarily getting [inaudible]." And I think that's partly because he saw a lot of upward cost in getting people to know that there was a [inaudible]. Now, that may change over the course of time. It does depend. We have to also remember that people in the Global South – with some exceptions – are a lot newer to this process. And for many – I'm thinking of Pakistan as a perfect example – ten percent of Pakistanis, what I was told, speak English. Well, most of the web in Pakistan is still in English. Most of the people speak Urdu. So I think that those are the kind of things that we're going to have to bear in mind. No question, though, the fact that mobile is coming, and it's going to be big. It's going to put some real pressure on our current model; it's just unclear to me whether it's going to drive everybody to search engines, or whether it's going to drive everybody more in the direction of shorter and shorter names, which could be a really great opportunity for this phase. Does that make sense?

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DREW BAGLEY: Yes, thank you. Yeah, with the final report I definitely would appreciate some further analysis on that, like you provided in the presentation, but just like you explained – and then, any other factors that you've mentioned that are contributing to, perhaps, a lack of demand to being with. So that'll help us separate those issues from the potential opportunity to improve communication. Thank you.

ANDREW MACK: [inaudible]

JONATHAN ZUCK: So, thanks, Andrew. There don't appear to be any other questions in the room. We know that this was just an interim report, and you still have more interviews to do, so continue at it. And all I ask is that you bear in mind that our remit is limited to how to improve the application evaluation process, to make it more accessible to the developing world, and so it could be that some of these other recommendations will survive beyond this review team, because this will be a published report, and be taken up by others within the ICANN community. But we need to look as focused as possible as we can on this notion of how to make the application process more approachable, etcetera, through consultants, communication, and things like that. So good luck with your future interviews, and thanks for joining us today.

ANDREW MACK: Thank you very much.

[APPLAUSE]

JONATHAN ZUCK: Go ahead. Sorry.

[END OF TRANSCRIPTION]