JOSH BAULCH:	For those of you that are in the room, we have the Wi-Fi up on the screen. If you do need a power adapter just come over to the Tech table and I have European adapters if you need them.
	For those of you guys that are in the room, if you need a European power supply, we do have adapters back here if you guys need them. Also on the screen you'll see the Wi-Fi and password. If you guys have any questions you can come over to the Tech table and we'll help you out.
JONATHAN ZUCK:	Alright everyone, let's try to get settled and see if we can get started here momentarily. Is the Adobe Connect our normal one, the CCT Review?
	Okay let's go ahead and start our recording if we haven't.
	Welcome, everyone, to the fourth face-to-face of the Review for Consumer Trust, Choice, and Competition, as well as the Application and Evaluation process. Thanks, everyone, for being here, making your way here to Vienna. We've got a pretty packed agenda and we need to get a lot done in the next couple of days, so let's do our best to get to breakfast early and everything like that and get started on time.
	Let's start off with we have a celebrity guest here today in the form of Theresa who is going to give us some introductory remarks. The word from "the man," so to speak. So without further ado, I'd like to just introduce Theresa Swinehart.

THERESA SWINEHART: Thanks, Jonathan. First, thanks, everybody, for all the work that's being undertaken here. I know that it's a huge undertaking and a lot of effort and a lot of volunteer time from the community. I just first wanted to express appreciation towards that, and also that it takes quite a bit of work to come together and then solidify recommendations and moving forward. In the context of this topic we have a lot of different moving parts and I appreciate that there is many different discussions and dialogs underway, and so the output of this Review Team in particular is going to be really important for the TLD program and for the dialog moving forward. So, thank you very much for all that and good luck, and Jonathan, thank you for your leadership on all of this. It's really appreciated and thank you, everybody, for all your time.

JONATHAN ZUCK: Thanks, Theresa. So what I wanted to do, one of the things that we do as a matter of pro-forma on the calls is ask whether anybody has any change to their Statement of Interest. What I'd like to do by means of introduction today actually is very, very, briefly repeat the process that we did at the outset. I'd like to go around the room and have everyone introduce themselves very, very, quickly. So this is sort of three lines total – who you are, what you do, and why you asked to be on this team.   I'm just curious what your interest was in volunteering for this Review Team. We'll call this the Restatement of Interest process.

I'd like to just start with you, Carlton, down at the end of the table here. Again, just very briefly who you are, what you do, and why you wanted to be on this team.

CARLTON SAMUELS: Good morning, everybody, Carlton Samuels. I teach at a University and I do consulting work mostly in Regulation and Telecommunications areas. I want to be on this team because I have caucus with the At-Large Constituency in ICANN since 2006 and co-Chair the Applicant Support Working Group, and I wanted to see some things changed.

FABRO STEIBEL: Hi, everyone. My name is Fabro Steibel from Brazil. I teach at the University of Innovation Technology and I'm Executive Director of a Research Institute, and I'm a representative of the Open Government Partnership in Brazil as well. The reason why I'm here is for the open interest [inaudible] process which is quite interesting and from the point of view from developing countries on the gTLDs.

DREW BAGLEY: Hello, my name is Drew Bagley and I'm Senior Privacy Counsel with CrowdStrike and run a non-profit organization called the Secure Domain Foundation that focuses on anti-abuse. I joined as an independent expert to try to contribute my knowledge and expertise on anti-abuse activities to the team in hopes that I could play a role in seeing how the new gTLDs impacted consumer trust.

LAUREEN KAPIN: Good morning. I'm Laureen Kapin and I practice Consumer Protection Law at the United States Federal Trade Commission, which is the United States' leading national agency protecting the public from getting ripped off. I share my agency's mission in protecting the public. I've been working through the Public Safety Working Group and the Governmental Advisory Committee to ensure that the public is safeguarded against risks that might be involved with the expansion of the new gTLDs, and joining this working group was the natural next step to focusing on those interests of protecting the public.

DEJAN DJUKIC: Good morning. My name is Dejan Djukic. I'm working in the Serbian ccTLD as a Chief Legal Officer besides my work within ccTLDs and following all procedures and developing all procedures within ccTLD world. Also following developing of gTLDs and new TLDs especially procedures related to Rights Protection Mechanisms. That's the reason why I was interested to join this group.

STAN BESEN: I'm Stan Besen. I'm a Senior Consultant at Charles River Associates which is an Economic and Business Consulting Firm. I work primarily on competition issues in the telecom industry, also some work on Intellectual Property. I'm here because George Sadowsky asked me to apply and I was selected.

MEGAN RICHARDS.   Good morning everyone. I'm Megan Richards. I work for the European Commission and I'm responsible primarily for Internet Governance issues, but a series of others as well. In the European Commission we have a number of big Internet-related policies, telecom policies, etc. and in particular something called the Digital Single Market which we're all working very hard on, so we have a particular interest in making sure that e-commerce works well, efficiently, the Lisbon Treaty which you all know by heart I'm sure continues the basic competition law provisions that have been established in Europe for many, many, years. I'm also the European Commission representative on the Government Advisory Committee, and we needed a GAC representative on this team so I come with 28 countries – for the moment 28 – no one rejected me.

GAONGALELWE MOSWEU: Good morning. My name is Gaongalelwe Mosweu – Geo for short – and I run a company called Maze Meadows Consulting. I also volunteer as a Vice President of the Botswana Information Technology Society which is a non-governmental organization for ICT professionals advocating for ICT for development in Botswana particularly. I also sit on Advisory Committee for [this other] ccTLD, the .bw, which is run by the Communications Regulatory Authority. My interest in applying for this Review Team was really that there's not an active role, particularly from my country and other countries in the region, so I wanted to be involved and also to see how developing countries particularly from Africa could be more involved and benefit from the DNS space.

DAVID TAYLOR: Hi. David Taylor, I'm a partner at the law firm Hogan Lovells, and I've been attending ICANN meetings since 2000, a member of the Intellectual Property Constituency of the GNSO. I suppose I'm here because getting the application process right is important. I think we all agree with that. And we need competition, and consumers need to trust. So this is the Review Team for that.

CARLOS RAUL GUTIERREZ: Good morning. I'm Carlos Gutierrez I come from Costa Rica. My interest in this panel goes back to many years of being involved in competition issues. The first one in Fair Trade and Countervailing issues in 1985 against the U.S. government, later 2008 in the opening of the telecom market in Costa Rica, and I'm here as part of the big group of six people endorsed or supported or representing the GNSO Council. Thank you.

JONATHAN ZUCK: My name is Jonathan Zuck and I run a Trade Association for app makers called The App Association, and my primary interest in this is actually process based. I've been trying to lead an effort inside of ICANN to make the various working groups, etc. be more data driven in the way that they develop their problem statements and charters, and metrics based in how they measure the success of the recommendations they make. My interest is not per se in the New gTLD Program, the obligation process, etc. but instead this particular review was rendered different by a resolution by the Board in Cartagena something like six years ago that made an attempt to make this particular review more data driven.

So that's been my primary interest is in the rigor with which we apply the process that we're engaged in.

JORDYN BUCHANAN: Hello. My name is Jordyn Buchanan. I work at Google. I run Engineering for our domains related products and help work on our general domain strategy. I was interested in applying for the team and remain interested in this topic because I've spent a lot of time over the past five years or so trying to help get the gTLD Program off the ground both in terms of Google and in some of the implementation issues within the registry operator side. I want to understand whether it's working, whether some of the objectives that were laid out prior to the inception of the program actually are being accomplished or not because hopefully it is because we did it.

KAILI KAN: My name is Kaili Kan from China. I'm a retired professor and I teach Economics. I still teach Economics at school although retired. The reason I join CCTRT is that I'm very interested in, first of all, the governance of the Internet which is what ICANN does. On the other hand, the New gTLD Program is one of the most important policy introduced since the establishment of ICANN. So also because I teach Economics, I am interested in the Economic effect especially from the end user's point of view how this would benefit the development of the Internet as well as for the benefit of end users. Thank you.

CALVIN BROWNE:	Calvin Browne. I'm the backend provider for the ZA Registry, and also the backend provider for one of the few African applicants in the last round for new gTLDs and also with the latest African ICANN registrar. I really wanted to bring a developing world perspective to the proceedings, to the process.
WAUDO SIGANGA:	Waudo Siganga. I work for the Computer Society of Kenya, it's an industry association, and within ICANN I'm affiliated with the Business Constituency which is part of the GNSO. I've been for a long time engaged in the Internet Governance issues and I was particularly interested in working on this Review Team because I would like to help to figure out exactly what the impact of the new gTLDs was on business and particularly businesses from the developing world.
JONATHAN ZUCK:	Thank you very much. We have a number of observers. If any of you are interested in introducing yourselves, you can do that. We're going to have a specific time at the end of the day to talk and to share your views and things like that. So thanks a lot for being here.
	I think, given the time, what we'll do is go right into a discussion from Nielsen about the Registrant Survey. Sit back everyone and let's absorb the [inaudible].
DAVID DICKINSON:	I'll try not to put you to sleep.

This is the second wave of the Registrant Survey. We did the first wave last year, repeated it this year.

As soon as you can, you can skip down two slides to the Background.

Just as a way of reminding, this was done to support the New gTLD Program, part of the community-driven Policy Development Process that spanned several years, designed to enhance competition and consumer choice, and that's what we were measuring or helping to measure here. There's a consumer phase that has already been reported on. We completed two waves there where we talked to Internet users in general distributed around the globe to look at their attitudes. This study focuses on people who say they have registered at least one domain name in the past, to look at their perceptions of the industry and the gTLDs and issues around them. And this is the second wave, as I said, of that.

On the next slide, who was included here was adults 18+. They had to say they'd registered a domain name previously and they had to be the primary decision maker or influence that. We did a total of 3349 completed interviews spread around the globe in 24 countries translated into 18 languages. The data was collected early this summer, a slightly different interview period than last wave. Last wave's interviewing was interrupted for some administrative reasons but we cited this in the middle of that. It's commissioned by ICANN and completed by Nielsen.

In the report there's significance testing designed to look at wave-to-wave or region-to-region differences. That's done at what's called the

95% confidence level, and there are markings in the report to show you where things are statistically significant versus within the realm of random changes.

One note here, and I'll mention this a couple of times, we did a tweak to the sample source this year. Last year we had some sample that was provided by ICANN and then we supplemented that with what we would call commercial sample. The ICANN provided sample made up the minority of the sample. This year it was completely done using the commercially provided sample, and to make things perfectly comparable we've restated last year's results in this report to be comparable sample to comparable sample. And I'll address that a little bit more here, give you some more detail on that.

At this point, that completes the interviewing program for this process. These findings will be shared with the committees and made public as part of the review process.

We'll just give you some high level takeaways. I'll try and paint a picture of the overall conclusions and then we can dive into – there are 127 slides – we can go into as much detail as you would like.

If we can go to slide 8.

Overall what we would say is that there's a lot of stability here. The general impression is that very much remains very similar to the results reported previously. Overall differences tend to be small. So there may be things – the arrows there indicating things may be up a little, down a little bit, but things tend to be moving generally in similar directions. That's especially true about topics not directly related to registration,

such as things about trust in the industry or perceptions of online bad behaviors – very consistent tracking there.

The key areas of difference focus on some of the awareness consideration and satisfaction metrics, specifically for what we call the legacy gTLDs – the ones that we measured that were in existence before the New gTLD Program. And the other thing we'll say is that in going through the design process for the Registration Survey this year we made some changes so that we could spend more time probing specific areas of interest. So there's new questions to report on here that weren't in last wave's questions because people had questions and we decided we'd go down those paths a little more deeply.

Let's look at the next slide – the downward shifts for legacy gTLDs. We're seeing that – and I'll show this to you in just a second – but if you have seen the previous results the legacy gTLDs group naturally into three categories: those with relatively high levels of awareness, a couple with middle ground levels of awareness, and then a variety with relatively low levels of awareness. We're seeing decline in all of those, including those at the high level but in the high level, it's specifically info and org that we saw declines in the awareness.

Again, last year we had ICANN provided sample, and that sample tended to be different systematically than the commercial sample, both last wave and this wave. They tended to be much more active, registered a lot more domain names, that sort of thing. So they had inherently somewhat higher awareness levels. So we've just removed that sample and restated the results wave to wave so we aren't

overstating any shifts that would have come from the change in sample as opposed to shifts in the market.

Did you have a question?

LAUREEN KAPIN: Yeah, you saw my facial expression. Do you know how ICANN got its sample?

DAVID DICKINSON: That pre-dates my involvement, but Eleeza, maybe you know?

ELEEZA AGOPIAN: Yes. We had a sample of WHOIS records that we had obtained previously for another study, so we used those records but the response rates were quite low and we realized we weren't going to get the response we need. So we utilized Nielsen's commercial services, and I think we included incentives as well for those respondents to get better responses to the survey.

DAVID DICKINSON: Yeah, the commercial samples are people who are on what are called Internet Panels. They are created by panel companies, people who are willing to participate in surveys basically, and everyone who does that gets some form of incentive, usually it's some form of a loyalty program kind of points thing. That sort of thing. So that's where the commercial

[is]. And we used a variety of providers to get a most representative mix of folks as possible.

Yes?

[JORDYN BUCHANAN]:   So it's election season and I've been reading a lot of fivethirtyeight.com so therefore, I'm an expert on polls. One thing I was curious about though is I know that one thing pollsters do is try to normalize the samples relative to what they expect the population to look like. Did you make any attempt, or would it be possible to compare if we made our sample look more like the ICANN sample would the levels of awareness still change, I guess? I'm just wondering if we're just seeing drift as a result of the sample changing, if there's any way to compare to what a comparable sample would have looked like.

DAVID DICKINSON: Yeah. Definitely we're not just seeing drifts because of the change in sample. I spent a lot of time looking at that. As testimony to that, one of the things I looked at – the key difference in the ICANN sample versus the commercial sample was their activity as a registrant. They tended to register more. So I looked at people who had registered a single domain, two or three or four domains, and then more domains. And the ones at the high end of that scale, you saw the same pattern. They tended to have higher awareness, they have higher satisfaction, higher consideration, they're just more active and more accepting of the whole system and more experienced.

The top end, if you want to call it that – the active end, the [var] sample – looked a lot like that. ICANN sample. Not an exact match but definitely in that direction.

The second point there is, even recognizing that change and controlling that, the shifts appear to be legitimate. Once we'd done that, we started seeing these shifts.

Another question?

KAILI KAN: My question is that we've noticed there's a lot – about over 53% - of the registrations have been considered as parked. And also it is reported that in large scale speculation among the new registrations, have we excluded those factors?

DAVID DICKINSON: No. We didn't exclude those but we did ask people what they're use if they'd registered more than one we asked them what their use was and how many they had that were parked versus redirected and things like that. And you do see a substantial – the number one use we have to state in the report is still for an active website but there's a lot of people who are saying that they've parked a number of domains.

KAILI KAN: Just a correction, the figure I just cited – 53% – was not as parked but those are the registrations from China among all. However, it's widely believed that the registrations from China, well over 90% are just for

speculation. So then if that is true, almost half of the total registrations are speculation. Thank you.

DAVID DICKINSON: I don't remember the specific numbers – we can look at that when we get there – of parking and redirecting and things like that in China, but what I can tell you is that the registrations, the numbers for the new gTLDs in general are stronger in Asia. And China has a large component.

JONATHAN ZUCK: Let's wait until we get to that part in the survey. Everybody's read different amounts of it. There's a lot to read. And so when you get to that particular [section]…

Let's go through the survey and then let's bring up questions as we get to particular sections because everybody's at a different place in terms of how much of it they've read I think. Go ahead.

DAVID DICKINSON: Okay. They just gave me a tool here. It works.

When we look at the new gTLDs – so we see these declines in the legacy gTLDs. We don't see the same level of shift for the new gTLDs. The ones that were consistent between waves, they don't decline, they don't show much growth either. But you're not seeing a big change there. And we added a number of new gTLDs to the survey based off the prevalence of their registrations, and those debut in the survey at a relatively strong level, stronger than the ones that were in there for

both waves. That suggests that their effective net position when we're seeing declines in the other areas, the effective net position is strong for those new gTLDs.

Again, the last two points there are just restating the fact that we've adjusted the results from last year to take out that non-comparable sample and for a variety of other questions there weren't significant differences and so we left it in just for the statistical power. We can track trends with more sample size more easily.

Here's average awareness, and you can see these numbers up there. The high, which are .com, .net, org, the average awareness for those dropped from 77% to 73%, all of that coming essentially from net and org., com didn't really show a significant shift.

Moderate and low, we see shifts there downward, particularly in that moderate category and those are .info and .biz. And then the other one that dropped substantially was the geographically targeted, the ccTLDs and the awareness of those. So in each country we showed them a bare country ccTLD, and awareness of those on average across the globe have dropped. When we look at the new gTLDs, the consistent ones – and it wasn't a statistically significant drop but they did drop about two points but that's essentially flat. The added ones came in at 25%, so a higher average. Then the geographically targeted gTLDs which were consistent – we added some geographically targeted gTLDs new to the survey this year but the ones that were consistent we again saw declines in reported awareness, average awareness for those regionally targeted gTLDs.

Yes?

JONATHAN ZUCK: I guess it defies logic a little bit. I know that with the first survey there was a speculation that people's awareness was somewhat driven by familiarity of terms and things like that. How do we go about explaining a drop in awareness of, for example, the geographic names when that shouldn't have… Was the first number skewed the wrong way to begin with or something?

DAVID DICKINSON: You can't say the first one was inflated and this one's correct or this one's down and the first one was [inflated]. I looked at all of these numbers very closely. There were some things about the increasing awareness of some of the new gTLDs that makes sense that some of the moderate legacy ones might be people not paying attention to them as much. The country level ones, I really can't explain. I don't have a causal answer there. I don't know why. I wish I did, but I don't. Short-term memories, there's a lot of stuff in the market. Things like that.

The other way we like to look at this data is not by average but by total – was I aware of any of these? And here we still see some erosion but not to the same level. It's much smaller. So it's less likely that I'm not going to be aware of any of these, even if the average for any one of them has declined. So you see those numbers there. And that's a busy chart, I know. But of the new gTLDS, only the consistent geo-targeted ones showed a significant decline. The other declines in the new gTLDs are all within the bounds of randomness.

There's no increase in total awareness for any of the categories that were in the surveys in both years. So they may not have declined significantly but they didn't increase either.

Yes?

KAILI KAN: I think it was about two minutes ago that I had an announcement that the new g program increased the awareness so that announcement was not based on your survey.

DAVID DICKINSON: Not that I know of.

ELEEZA AGOPIAN: That may have been the Consumer Survey results that we published which showed increased awareness. What Kaili was referring to may have been the Consumer Survey results which we published in June which did show increased awareness of all of them I think across the board.

DAVID DICKINSON: Some general things about the new gTLD registrations, about a third of the people in our sample reported registering at least one of those. Of those, just over half registered only one. And an additional 34% registered two to three. There was a small group that had registered a

larger number. That registration, as mentioned earlier, is higher in Asia. The reported registration is higher in Asia than anywhere else.

Why they registered them, the number one reason was for name or brand protection, keep somebody else from getting a similar name, that sort of thing – a defensive posture. And while this question wasn't specific about the new gTLDs, in general people registered close to evenly, a little bit more for personal versus business reasons, and among those in the business category the small companies were the largest contingent. You see some variation in that globally just reflecting the nature of businesses in various countries, but that's still the smaller companies. There are many more of them so more of the registrations come from there.

Yes?

LAUREEN KAPIN: I'm sorry if this is so basic but Kaili's question I think touched on something that some of us are wondering about. So we had the wave one consumer results, we had the wave two that came out in June and that Eleeza explained may have resulted in some announcements about increased awareness. So I'm sorry if this is really basic, but this August survey seems to combine some of the consumer information within the reporting results. I just want to understand the relationship between the wave two Consumer Survey and the information that's being presented here.

DAVID DICKINSON: The only place this would combine anything from the wave two consumer is if we're comparing registrants to consumers. So there's a few slides in here where we're actively comparing those two studies, but otherwise, this is a discrete sample. Some of the questions are the same, and so for some of those questions we say, "Here's how registrants are different than consumers."

LAUREEN KAPIN: So just to clarify, the people who this survey was targeted to are the registrants and when you're asking them about awareness you're asking them about it in the same way that you did consumers, but this is an entirely different group that we're asking questions of.

DAVID DICKINSON: Correct.

LAUREEN KAPIN: Because the questions were so similar and some of the results reported were so similar, I just wanted to make sure I understood with clarity that these are apples and oranges, consumers and registrants, and I didn't get confused about that.

DAVID DICKINSON: No. In terms of this presentation, this report versus the consumer one, they're totally discrete. Just for full explanation, within that consumer sample you may have had some registrants just because they naturally occur in any Internet population.

LAUREEN KAPIN: Thanks so much for clarifying.

DAVID DICKINSON: Sure. We added a number of questions about restrictions and the impact of restrictions or expectations around restrictions. What we saw is that acceptance of those has increased wave over wave, especially when we put it in the context of validating… So first wave we had a generic question about should there be restrictions, and we didn't go into what those restrictions would be. It was generic. And we have that question as well and we see an increase in expectations about restrictions.

Then we added questions this wave saying, "Well, what about in this scenario? What about in this scenario?" We gave them about four scenarios. In all of those, approval of restrictions in those specific scenarios is around 75% – three quarters give or take some points there. But it's in the 70s. Which validated something we hypothesized last wave, which is if you give people more context, they're going to be more supportive of restrictions. So we saw that.

We asked them what does the effect of restrictions have on your level of trust, and [it was] self-reported higher levels of trust. One thing we've noticed, however though, is then when we ask, "Well, what's your trust that they're actually going to be enforced?" Fairly low expectations that anyone's actually going to enforce those, and that's especially true in North America. It's more expectations of enforcement outside of North America. In North America it's low.

Yes?

CARLOS RAUL GUTIERREZ: Does the same question appear in the consumer section?

DAVID DICKINSON: Yes it does. I'm pretty certain.

MEGAN RICHARDS: Can you remind us what the answer was in the consumer section? You don't have to do it right now. Later.

DAVID DICKINSON: I can, but I can't do it off the top of my head. Sorry.

So then the next thing, we also had a set of questions around what we called alternative identities – social media accounts, blogging accounts, things like that – and how those might be impacting decisions to register. And we see that social media in particular is self-reported having an effect on registrations. The effect of the new gTLDs is limited at present as most were seen as registering those for a protective reason rather than giving up – so we looked at what we call churn. Did I give up a legacy registration when I made my new gTLD registration? And we see a little of that. It's not excessive. However, you look across everyone, two thirds have reported that they've replaced at least one existing domain. So when I say it's not excessive, they're not rolling them all over but they may have replaced at least one.

So 80% of the respondents have some sort of alternative ID – a social media account, etc. – and one in four of those report that they're using those in lieu of registering additional domain names, and one in six said they didn't renew a domain in favor of using one of these alternative measures. And when we ask them about their expected behavior in the future, that actually ratchets up. They think this will become more prevalent in the future. So we are seeing the expectation that these alternate ways of promoting one's business or one's personal activities are in contention for domain registrations, essentially.

KAILI KAN: Just to clear my mind, so you are saying that other ways of identification like [apps] for example.

DAVID DICKINSON: Or Facebook accounts, Baidu, whatever.

KAILI KAN: Those things are in competition with domain registration itself, and there's a general shift for that direction.

DAVID DICKINSON: Yes. An example is perhaps in North America my business is reviewed on Yelp so I own that listing and I choose just to focus on that, or an Angie's List listing instead of having my own domain name. Something like that. That's just an example. Okay?

And then satisfaction with the registration process, that's down. They still when we ask them how to improve it it's the same things – faster, easier, less expensive, in that order. It's down slightly wave over wave. It's still strong, and notably satisfaction with the new gTLDs, among those who are aware of them, is on par with the legacy gTLDs. So if I've registered a new gTLD, my satisfaction with that is on par with the satisfaction levels for the legacy ones.

Satisfaction with the actual process of registering – the first one is, "How satisfied are you with the domain names, the gTLDs?" The second one is, "How satisfied are you with the process of registering?" That's lower. And those who say the process is difficult is nearly as common as those who say it's easy. Only 13% say it's very easy. So even on the easy side, most of that is it's "somewhat easy." So not as strong as we might like to see there for the actual process. I did look again at those people who are more active, who register more domain names. They're more satisfied. So you do it a lot, it becomes probably a little easier.

Sixty percent still feel that it's relatively easy to find a name that works, and 40% said that they did not feel like they had many options. So the balance still tips that availability is there. And while there's a slight correlation between my perception of availability and my satisfaction, it seems to really be more it's about the process than the availability that's driving those satisfaction things.

Yes?

JONATHAN ZUCK: Thank you. Did you compare the knowledge of new gTLDs with belief about availability? Because in theory, if I'm more aware of these 1500 new sublevel domains, I'd probably have a perception of higher availability of options.

DAVID DICKINSON: I'm pausing for a minute just to think through, because we had some people who weren't aware of the New gTLD Program at all so we took those people out of the satisfaction comparison – traditional gTLDs versus new. I didn't look specifically at those people who were saying, "I'm not aware of the New gTLD Program," and their satisfaction. That's something we can do. I didn't look at that.

JONATHAN ZUCK: And satisfaction's a little bit generic, but this last bullet point here about being easy to find a name, that one in particular I'd be very interested to see the correlation between those figures and their awareness of the new gTLDs.

DAVID DICKINSON: And then in that question as well there's a response that's basically like, "If I'd known more about the new gTLDs I might have felt differently or it might have been easier to find a name." And that wasn't a top response but that was a fairly common response. So we can look at that data as well. I'm not going to trust my memory at this point. We'll look at the actual data. It' wasn't a top response [inaudible].

JONATHAN ZUCK: Thank you. My own anecdotal personal experience is that the registrars – the places you go to register a new domain name, which presumably every one of these people has experience with – are doing a lot to recommend alternatives now. If I go to a GoDaddy or a Network Solutions and I say, "I want jonathanzuck.com," that'll say, "It's taken, but here's 12 other variants that aren't," and so I'm just very curious about why people might believe that they don't… Because 40% still feels like a high number to me, 40% of registrants feel like they're having difficulty finding a choice. I'd be interested in trying to find more correlative crosstabs essentially in your data about that.

DAVID DICKINSON: Yeah, that's something we can easily take a look at.

JONATHAN ZUCK: It feels like something that's, if you go through the effort of making a registration it's pretty much in your face I guess. I can see end users not getting it, but people that have actually registered for a domain name, I feel like it's broadcast quite a bit.

DAVID DICKINSON: The one thing to keep in mind there is we didn't qualify the sample. It's, "Did you register in the last year?" So they may have registered their domain name a number of years ago. But I went out to a number of registrars to see how they're being marketed and it's definitely the new ones are the "in your face" ones for the most part.

CARLTON SAMUELS: Can I ask a question about price? You said that there's a perception they need a less expensive process to have, so I'm presuming that since they're registrants who have actually registered names before it's more than likely that they will be tied to the .com process. Would you agree? So the perception of cost is tied to .com prices, is that a reasonable interpretation?

DAVID DICKINSON: There's a lot of stuff that's been registered that wasn't .com, so while .com is the dominant one and could have a halo effect over the price, if I've registered more than one especially I've registered others. So I think it's more just… Price is a tricky thing because people always want things to be cheaper. So I think it's something that's there. We can't benchmark it against a specific price level from the survey. We do see some regional variations on the importance of that, however.

CARLTON SAMUELS: Because there are regional variations in pricing. Even when the legacy gTLDs, and I wondered where did that creep in?

DAVID DICKINSON: Yeah, price is more significant, it's outside North America. When we can look at it, we can see where the specific regions were. Okay?

So that takes us through our overall summary. We can continue to march through slides but I'm thinking that probably there'd be more interest in looking at some specific things. Here are the sections of the report. So we have a section on the legacy gTLDs, their experience with

the new gTLDs, their perceptions of why they were created, what the registration levels were, awareness level were, satisfaction, those sorts of things. Then that section on the use of alternative identities, trust and experience with the domain name industry which we didn't touch on significantly in the top line but basically it's at the same level or a little higher than it was before. So we didn't see any erosion there. The specific registration activities and the process they went through, that's where that satisfaction is and how easy it was, those sorts of things. And then the bottom ones are things again we didn't touch on but similar to the Consumer Survey we looked at how they find the website that they're looking for, and it's the same as in the Consumer Survey – heavily search engine, the same perceptions about what's safer, easier, those sorts of things. And then their perceptions of spamming, phishing, those sorts of bad behavior. Again, very similar to last year and very similar to the consumer. Not a lot of new news in those two sections.

Yes?

CARLOS RAUL GUTIERREZ: Before you move on to the specific chapters, I want to go back to the last bullet of #7 where you compared the awareness of the registrants and you made a comment on the consumers. I would like to ask very specifically if your statement there could be expanded a little bit. If I remember well, registrants have a higher expectation or more awareness from the new gTLDs and they have seen more change here than consumers. I don't understand this [scene] statement there. Could we say or could we assume that the survey shows the tendency that this overall process was more registrant-driven than consumer-driven? Isn't

it logical that this was all an exercise to have more options from the perspective of registrants? It was not necessarily consumer demand that wanted to have more options. I don't know if that's a clear question or not. But I would like to dwell upon that point.

DAVID DICKINSON: We asked both consumers and registrants why they thought it had been done, what was the purpose. We asked them both, "Why are there different domain names?" – domain extension is the layman's term we use in the survey – and then we say, "And why were the new ones created?" And it's pretty consistent wave to wave and between registrants and consumers. It's an open-ended question and somebody manually codes them so we don't do a lot of direct trending, but overall it's similar. It gives structure to the Internet. It helps indicate what the purpose of the website is. And the new ones were created to further that and because they were running out of options and there was consumer demand.

So we asked, "Why did they do this?" Well, too many parked, consumer demand, too hard to find a name, all of those kinds of things are the perception of why it was done. They're seeing the reason as being 1) structural, but 2) also meeting a demand.

CARLOS RAUL GUTIERREZ: Thank you.

JONATHAN ZUCK: What I'd love to do I think is take a step back from this and drill into it based on the questions that we've identified for our review and figure out the degree to which the survey can help to answer those questions. Because it may very well be that that there's places where the data, there isn't a sufficient delta 2 answer. Right now this is very survey-centric. In other words, these are summaries based on the questions that we asked.

I guess what I'm inclined to do is via the team leads – Jordyn and Laureen – and maybe then to your subteam leads within that, look at your sub-questions and ask them of this survey while we have our experts available, to see whether or not what we can glean from this survey in response to those.

For example, at a very high level the primary reason we commissioned the survey was because we wanted to come up with some quantitative way to look at trust. In other words, one of the top-line demands on this Review Team is the degree to which the New gTLD Program enhanced consumer trust. And so there are some sub-questions associated with that, and we tried to look at some proxies for consumer trust which we might broadly categorize as trustworthiness. In other words, in the absence of an actual measure of trust, could we make a normative evaluation about whether or not the system has become more trustworthy, which is separate from whether or not consumers have caught up to its trustworthiness. It's actually trying to find an objective measure through DNS abuse, etc. whether or not there's been greater incidents, more dispute resolution, objective things that we think should lead to increases or decreases in consumer trust. But the only way to

actually figure out if there was, in fact, enhancements in trust itself is through this survey vehicle.

That was probably the primary purpose of the survey, and so I want to make sure that we go back through the sub-questions we're asking about trust and look at the survey in that context. And some of the smaller questions, one is about choice which has always been a little bit amorphous for the economists in the room because choice and competition seem so related, but the questions that you asked about whether people feel like they have more options available to them or something again, there's a perception of choice which may or may not track to reality of choice. And I think that that's interesting.

And then finally, there was a subset that were very interested in the social media and alternate identity thing and I'd like to drill into that more because that's potentially… I don't know what we're going to end up doing with that but what conclusions can we draw from that potentially at the very least some pros for further analysis or something like that that we might draw from these survey results about people's feelings about those alternative identities. I'd like to drill into that more because that's one of the questions that we had and I might either do that or ask Jordyn to do that.

I don't know if I've given enough guidance in this long-winded explanation. But I guess, Laureen, can you using your subteam leads lead a discussion that's more centered on the questions you're asking as opposed to the questions the survey's asking?

LAUREEN KAPIN: I just want to make sure I understand what you're asking us to do. I think what you're asking us to do is engage in a discussion that's focused on what we are drilling down in terms of our survey, in terms of our subteam questions on the big questions that we're asking ourselves which focus on consumer trust for the purpose of the survey, and the safeguards are really an issue that's separate. So is that what I'm hearing you ask?

JONATHAN ZUCK: I think that's right, Laureen. I guess the point is that the next step of this for your team is going to be to look at your worksheet for the high-level question and the series of sub-questions. And I know that one of the key challenges for people that are working on those worksheets is really drawing the connection between those questions and the data necessary to answer them. And this feels like an opportunity to say, "Okay, here's a sub-question specifically about X. How was that addressed in the survey and what conclusions can we reliably draw that are statistically significant versus others that really aren't?" And get at some of that. That feels like a productive use of the time.

I'm happy to have pushback on that thesis, but that's the thesis I'm running with.

LAUREEN KAPIN: Sure. What I can say is, at the time we were doing our worksheets we were focused on the consumer surveys because that's the information we had. This only was provided to us on Friday, so I'm not sure that

people have had a chance to synthesize all that information. Am I misunderstanding what you're asking? I'm sorry.

JONATHAN ZUCK: I'm talking about grilling him about those questions, not the team. Turn your team into the questioners.

LAUREEN KAPIN: I thought you wanted me to grill the team and I was trying to protect the team here.

JONATHAN ZUCK: I appreciate that. No. Empower your team to grill him about the application of the survey to the questions that they are tasked with answering. Does that make sense?

DAVID DICKINSON   My impression of what Jonathan's saying is, this is your chance to put me on the hot seat and say, "What have you got that would help us answer this question?"

JONATHAN ZUCK: Make it centric to our questions as opposed to his.

DAVID DICKINSON: Right.

STAN BESEN: This is not a surprise because I raised this question last week, so you should be prepared to answer it. This is slide 52, and I think I raised this question with you a while back. One of the basic set of questions we have is, take any of these that registered in the new domains. We would like to separate them into basically three categories: those who switched from legacy gTLDs to new ones, those who remained in legacy gTLDs but in addition registered in new gTLDs, and last, entities that did not register at all in legacy gTLDs but now registered in new gTLDs. That should exhaust the universe of new registrants.

When I sat down, I went directly to slide 52, and I tried to do that calculation and I couldn't. And I couldn't because when I did it I got the numbers to add up to more than 100%. So I may be misunderstanding something or maybe there's a problem with the set of questions, and so I'd like to put you on the spot as to did I do something wrong or is there something wrong with the survey? Please go ahead.

DAVID DICKINSON: Yes to both. To do what you're asking, the way we should have set the survey up was said, "Okay, you said you registered 10 domain names. How many did you keep? How many did you drop?" We didn't do that. We just asked this question which was, "Do each of these actions apply to any of your registrations?" So we can't do that exact calculation. And if you try and do it on the averages in the tables, that's not going to work out because it's really individual behavior.

So what you need to do is two things – you need to go to the raw data and perform a calculation on the individual respondent level and two, you're going to have to create a heuristic about what each of these mean. And I actually suggested a process – I don't know if that's found its way back to you via e-mail – where you could create an approximation. It's not ideal. It's not exactly what you're asking for, but it would get you in the ballpark.

STAN BESEN: I guess one question is, is it possible that entities answered these questions inconsistently? So, on the one hand they said, "I never had a legacy registration before," but on the other hand, when asked if they switched they said, "Yes." So the general question about did we follow up sufficiently with people to make sure they were answering questions that we resolved but appear to be inconsistencies in the ways people answered. That raises a more general question which is, if there's a lot of inconsistencies here I'm not keen on the heuristics because I worry about the quality of the raw data. But this is an important issue for us, because we'd like to say something about how the new gTLDs are being used, and this is a key set of questions we're going to have to answer.

DAVID DICKINSON: As somebody who's been doing research for 30+ years now I can say that probably out of the millions of people who have responded to surveys I've looked at, I could probably count on fingers and toes the numbers who've never been ever inconsistent at all. It's a 20- to 25- minute survey. It's very tough for me to maintain that mental power to

be perfectly consistent in my answers all the way through. We want them to be largely consistent, not telling us stuff that's clearly off base. But there's also random error. I clicked the wrong button and that sort of thing.

So for some questions, we'll build in validation prompts. We didn't do that for this question. So there certainly is some inconsistency in those responses. I think what you have to do in those situations is decide, in this situation, for example, there's a mutually exclusive answer and if they gave a mutually exclusive answer with another one they obviously couldn't have done that mutually exclusive thing, so you accept the other answers. Or you throw those people out of your calculations.

STAN BESEN: I guess one simple question would be, if we threw out all the people who answered questions inconsistently, how large would the remaining sample be?

DAVID DICKINSON: It would vary depending on what question you're talking about, but specifically, for example, I can give you a hard piece of data on that. We invented some city gTLDs for certain questions because some countries didn't have delegated city gTLDs. And some people told us they'd registered those. Out of the whole survey – 3394 or whatever it was – I think it was four people who only gave impossible answers and 41 people who gave one of those impossible answers. And those people tended to have registered a bunch of stuff so maybe they hit the wrong button or maybe they were just clicking through or whatever. So it's a

fairly small percentage on that question which is actual behavior of the people who gave the inconsistent responses. And I can tell you further that the majority of those came from two specific countries, two specific city names.

So you can look at that thing and say, "Okay, overall people did pretty darn good on that question." And we didn't delete those people because we don't want to be accused of trying to fix the data. So we left those people in. But I did look specifically at that. So I think here I don't think you'd throw out anywhere near the majority of the responses. You'd throw out a minority. I don't know how big it is for this question because I didn't run those numbers. But it's not going to be a huge number.

Yes?

KAILI KAN: As I just mentioned, it is reported that over the last two years, over half of the new registrations came from China. So also you mentioned that you had surveyed thousands or did you just mention millions of responses?

DAVID DICKINSON: Sorry. That was an off-the-cuff – how many people in all the surveys I've personally done. Sorry, not [inaudible].

KAILI KAN: For this survey, the thousand –

DAVID DICKINSON: Three thousand three hundred and –

UNIDENTIFIED MALE: [inaudible].

DAVID DICKINSON: Thank you.

KAILI KAN: I just wondered because the large percentage from China new registrations, your sample space, what percentage is from China? I wonder –

DAVID DICKINSON: It's a large number. I can get it over here I think. Asia in general makes up 46% of our sample and China is 16% of the sample. So China is the single largest represented country.

KAILI KAN: Compared with [inaudible] over 50% that is sort of less weight than –

DAVID DICKINSON: True. The sample distribution wasn't based on where they were registered, it's population within the countries.

KAILI KAN: Okay. But again, same as Stan's question that if we do not rule out those parked and also those registering for speculation and so forth that might significantly might distort our conclusion.

DAVID DICKINSON: But there's no necessary disconnect between 16% of the sample being from China and 53% – we can look at a piece of data here. They could be registering a whole lot more of them and still be a representative part of the sample.

KAILI KAN: I agree. I'm just saying that if we do not rule out the parked or speculative registrations that could distort our conclusion. Thank you.

JORDYN BUCHANAN: Thanks. Kaili, I think to get to the question you're answering we need two things to be true. Number one is for the sample size to be big enough that it will have statistical power when we look at it and it sounds like it's the biggest set of data we have so that's probably true. And number two, like we want to look and see whether the behavior relating to parking is different in the Chinese responses than it is in other people. Like if we look and the registrants in China are behaving the exact same way as everywhere else, then we sort of don't care that much. So we'll just have to look at the crosstabs and drill in and see what the responses look like.

KAILI KAN: I agree with you. These are two different issues, however, they are related. And also because of China's special environment – everybody knows that China's Internet environment is pretty different from most parts of the world. So, just the large percentage of speculation in China does not necessarily mean that it's the same for the rest of the world.

JONATHAN ZUCK: David, I guess that's a specific question, is it possible – and not to put you on the spot in terms of manipulating data and doing crosstabs you haven't done – but are you able to look at the data for China and see if there's a different response with respect to use of new registrations? That's an underlying hypothesis that we're operating under, is that the predominant use of registrations in China is speculation? So that's something we don't know the answer to either but we're assuming it. And so the question is, if that's true does that then impact the overall sample? But part of what we can assess is whether or not that assumption is true.

KAILI KAN: Just talking about that, Jonathan, that is general understanding of China in its domain name market and that is agreed by about everybody including governmental officials. They all agree that this is a very significant problem in China. And there's a general agreement that is for the people in China. Thank you.

JONATHAN ZUCK: But we should base that on something. So I'm interested to see how the survey compares to that assumption, and to the extent that we're using it in our Review Team, we need to document it somehow.

KAILI KAN: Agreed. However, for specific data what [inaudible] my friends in the industry, they cited commercial confidentiality that they are reluctant to get specific data, but all the people [inaudible] around, everybody agrees well over 90% [even say] maybe 99% for speculation. And that, the government, the ministry, even had a meeting on this, how to suppress the speculation in this industry.

DAVID DICKINSON: I just looked. The data here doesn't show – I can look at it by Asia but the majority of Asia is going to be China. I'd have to go into the crosstabs to look specifically for China alone – but from what I've got at my fingertips here, the data here doesn't suggest that registration levels are substantially higher – something that would explain 50% numbers in Asia – nor that they're being parked more often than they are in the other regions. So widespread, across registrants, we aren't necessarily seeing that behavior. And the thing I would ask then is, who is responsible for all of those parked domains? There could be a very small number of speculators who are parking those that aren't going to show up in our sample. They'd be an outlier.

You can still have a situation where the majority of people are behaving in a certain way and then there's a subgroup that is skewing the overall market dynamics, if that makes sense.

KAILI KAN: I don't know if [you want me to]… Okay. I can [inaudible] a little more data. China's economic situation calls for large scale speculation, partly because how the market is [down], surplus capital goes into this market. So speculation in this market requires very, very, little capital. My friend told me even college students are able to speculate and this only takes a few thousand dollars or much, much less orders by magnitude, less than the real estate market. So it is also considered widespread. It would not be few people doing this, could be thousands. Thank you.

JONATHAN ZUCK: [Inaudible].

DAVID DICKINSON: But even if it's thousands of people in China, that's a minute percentage of the Chinese online population, so it's going to be a small representation in our sample of 400 people or whatever we have from China.

KAILI KAN: Just a little bit more about the situation in China. Everybody understands that over the last two or three years the control over the Internet by the Chinese government has been tightened. That means you can just pay money to registrars and register domain names. No problem with that. Maybe even less than $1 a piece. But however, to really put that into use in China it takes intensive scrutiny by the government to register that, to really put your domain name onto the

Internet to be resolved. So all the millions or tens of millions can register in China, it's widely expected, probably not even one million, maybe even less, maybe at most a few thousand would be able to be used on the Internet because few could go through that scrutiny. So that is why everybody believes that speculation is the mass majority in China. It's a large scale and also especially considering over 50% of the new registrations over the last two years is reported to be from China. So that is I believe in past e-mails, I shared this understanding and information with our group.

JONATHAN ZUCK: Thank you for all of that. I guess there's a couple of issues. One is that any assertions that we make in our report we're going to want to document somehow, and we're not going to be able to just say that it's an understanding that it's the case. So that's one thing I want to make sure and put out there. But if I can take a step back from what you're saying, are you suggesting that the distribution of speculation is such in China that the only conclusion is that people are lying about why they're registering their domains? Or do you think that their plan is different than their action because it's difficult to actually get a website up and running but that the survey could reflect the fact that I planned to make a website from it but that's a lot more work. But that's different than saying that it's pure speculation because the data of our survey isn't reflecting what you're describing and so we need to have a hypothesis why that might be the case.

KAILI KAN: I don't know. From Nielsen's perspective how did you get the data and whom you talked to? For example, those college students, did you talk to them? Or maybe not. Or anyway, that's a concern that I am not able to answer. Maybe Nielsen can help me.

JONATHAN ZUCK: Let's go on to Carlton and then we'll put a pin in this for a second.

CARLTON SAMUELS: I was listening to Kaili and there's a couple of things that pop out at me. There's a method that you look to see whether the website is a legitimate or not, and he spoke to the fact about getting a website up. So if you go through that triage of thing whether it's a legitimate website and then you could get some parking data. But I don't believe based on this method that been put in by Nielsen I really don't believe that you would be able to determine how many of those domains are parked. I would suspect that you could say of the 16% of the correspondence from China that participated, you would not be getting a lot of the people who would have bought and park domain names in that sample, I don't think. The methodology itself would never, in my opinion, elicit objective measurements about who are the people parking domains, I don't think.

DAVID DICKINSON: So it elicits objective measurements about what the people in the sample say they did. So it's self-reported and it's only the people in our sample. So where that breaks down to this discussion is, as I made the

point earlier and your point is, you may have a type of person who's not represented in our sample who is responsible for the vast majority of that behavior. And maybe we get one of those in our sample. And you can think of it, if most of these people are saying they've registered one or two, and you have somebody who's registered thousands, if the sampling frame is registrations, you would skew towards that. But our sampling frame isn't registrations, it's people who say that they've registered at least one at some point in time.

So it was again to look at more overall perceptions of people who've gone through that process or had a need, how they view the industry, those sorts of things. It wasn't to create a categorization. We got that. We were interested in what they said they were doing it, and it's clear that a lot of what they're doing is not for active websites but it's not going to reflect those industry numbers for the reasons I just said.

JORDYN BUCHANAN: Hopefully, we're eventually going to be able to engage with nTLD stats to get some additional parking data. But certainly one thing we already know from the existing nTLD stats are overall parking rates for the new gTLDs, and so to the extent we're conflating speculation and parking we already have some data and we could look at the overall picture. It won't tell us about China in particular necessarily but one thing we could in theory do is a follow-up project. Maybe we won't have time as part of this Review Team but this could be one of the things we identify for future research, for example, would be to intersect WHOIS data and parking rates, sort of try to look to see like of registrants in China, what

are the parking rates actually like? And then we don't have to worry about relying on survey responses.

Survey responses are good when we're trying to get inside the head of a registrant, but when we're just trying to ask a question like, "Is this being parked or not?" We can actually just look at the domain and see whether it's being parked or not and it seems like a much more authoritative way to get at the answer to that question. So that's probably where we should focus our research on this topic.

STAN BESEN: What he said.

JONATHAN ZUCK: I'm going to agree with that. I think we need to not use this as a proxy for objective research on factual information. It's more of a perception which is why I wanted to maybe bring things back to Laureen. And again, I don't mean to put you on the spot, I just want to make the best use of David's presence to ask the questions you want to ask of the data and have him provide guidance about where we might find the answers. Maybe is that the best way to phrase it?

LAUREEN KAPIN: Sure. Let's give it a shot. One of the things that I found very interesting about the intersection between the Registrant Survey and the Consumer Survey was a similar embrace, I'll say it, of restrictions in registration policies, that these were seen as something that could possibly make gTLDs more trustworthy. And I'm wondering how we

connect that, if there's a way in the data to connect that perception of safety to objective safety, if there's anything in the data that does that.

DAVID DICKINSON: Well, at the highest level in terms of trust, your hypothesis going into this would have been that either new gTLDs will erode trust which we can invalidate as a conclusion because within the bounds of statistical probability it didn't decrease. In fact, it went up significantly. So we see nothing to suggest that as the new gTLDs gained more presence – which they did between the two waves of the surveys – trust did not decline. It went up.

Now, that doesn't mean it's cause and effect, but it invalidates the premise that the gTLDs eroded trust. You can rule that out. The indication would be that there's nothing untrustworthy about the new gTLDs. There's nothing in this data I've seen, and we continue to see the same sorts of pattern, that the new gTLDs that have some sort of face validity – I use that term – and inherent meaning – they seem to be interpretable – those are seen as trustworthy.

So there's not a lot of rampant distrust about the gTLDs in general and there's nothing in the survey that I've seen that would suggest that anything has eroded that. In fact, the perception of the industry as a whole not just the gTLDs but the industry, has improved. So one of the few things in here that was an upward trajectory. You can clearly say it hasn't eroded trust. There's no widespread erosion of trust.

Yes?

MEGAN RICHARDS: May I ask a corollary to Laureen's question? One of the things that you told us, and I asked you what the consumers' view of that was, was related to the restrictions on the new gTLDs. This is one of the safeguard requirements that the GAC has been calling for many, many, times and from many quarters has been restricted primarily from industry quite frankly as being a terrible inconvenience – I'm grossly exaggerating now, I'll add for the record. At that point, I'm not identifying myself [inaudible] – the point was that these safeguards that were asked for by GAC and a number of others – ALAC, too, asked for these – which were primarily to try to increase consumer trust were characterized as being very difficult for industry, reducing freedom of the Internet, etc., etc., etc. So as I said, I'm grossly exaggerating. But your survey clearly said that those limitations or restrictions, which we think are very important particularly for areas that are highly regulated, highly regulated sectors, areas like health, pharmaceuticals, etc., health and safety areas in particular are particularly important for consumers. And in your survey you clearly said that 75% or in the range of 75% of the registrants accepted those restrictions and showed that there was an increase in confidence. And I asked you as you remember for the corollary for the consumer [side].

My question really is, is there somewhere or some way of showing that there is a correlation between those what you call restrictions or what we call safeguards in terms of increase in trust? Is there anything in the Consumer Survey that would show that consumers are more confident when they notice or can see that registrations have been – what's the word? Not enforced, that registrations meet certain requirements – let

me put it that way – that the pharmacy that you're looking at online is a legitimate registered pharmacy licensed to sell medicine, etc., etc.

DAVID DICKINSON: Yeah, so I don't have the consumer data up right here so I can't speak to it directly, but other than I can tell you that yes, we saw the same thing there that there was an expectation or a perception that if there were restrictions or validations about who is registering that domain name, that their perception of trust went up. And we see the same thing here.

Again, I think – so this is David and editorializing a bit – I think there's a little bit of difference between the terminology used in the questions. Restriction versus validation, and how that gets translated into 18 languages I'm not sure, but in English there's a little more of an acceptance – or in North America at least – a little more of acceptance about a validation than a restriction. We're cowboys in North America, so we don't like restrictions. So there's some of that implied meaning in some of those terms. So when you start talking about it in terms of, "Are we going to verify that somebody who has a .pharma address is a pharmaceutical or in that business or something?" People say, "Yeah, that makes sense." If they've got a .builder, they're a licensed contractor. "Yeah, that makes sense."

So when we put it in that sort of context, very high levels of perception that they would expect that and that that would improve their overall trust levels. But I'll just make the point I made earlier, that doesn't mean trust levels are low. They're just saying that that sort of system would improve their trust levels. Is that helpful?

JONATHAN ZUCK: I think this is a point that David Taylor brought up. The other thing that you mentioned is the notion that people believe that what is going on with this expansion is a better defined taxonomy of the web, basically. That was one of the high percentage responses was that it would help divide up the Internet by category better or something like that, that that was one of the values of the New gTLD Program. And if I couple that with that expectation that everybody in .builder is a licensed builder, have we set ourselves up potentially to have people come away thinking that there is validation where there isn't? Because it's a very small percentage of the new TLDs that actually are engaging in some level of validation. It's mostly highly regulated spaces.

So David, correct me if I'm – I feel like this was your point but have we created an expectation of validation that will potentially lead to a decrease in trust in the future? I can't really answer that but I'm just trying to piece together different things that are different points in the survey. That's what I'm trying to get at with Laureen which is, if I have a question to ask, where in the survey do I go to find the answers to construct a narrative is what I think the next step in this is and that we might want to come back to you for help in building that narrative in the questions that we're trying to ask of this data. Does that make sense?

DAVID DICKINSON: Yeah, and that's the easiest one to answer. You can always ping us with questions about, "Have you got anything? Can you create a story?" or anything around this. We're always available for that.

To your point, I'm going to be very literal. We did not ask people if they have expectations. We asked them whether they thought these restrictions should be placed, which is slightly different. It's saying it's a good idea versus saying, "Yeah, I expect you to be doing that." So we have to be very true to the wordings of the questions. However, we do have this question about, "And are these sorts of things really going to get enforced?" And it drops down substantially, especially in North America. And I could show you that data if that would be helpful for you. I can pull up that slide.

Okay, let me find that slide.

JONATHAN ZUCK: Thank you, and while you're finding that, again what I was drawing back to was not the expectation from that question about safeguards but the other question that was about why the expansion was taking place. That's why I'm trying to draw things together that are in disparate places in the survey but one of the questions you had was, "Why do you think they expanded the TLDs?" And one of the high percentage answers if I'm remembering correctly was, "To create a taxonomy of the Internet so that I know to go to .builder to find builders." Am I correct that that was one of… Maybe you need to go back to that.

So I'm saying, given that answer and these answers does that create an "expectation"? Does that make sense?

DAVID DICKINSON: Yeah, so let's do this first. Let's go in this order –

MEGAN RICHARDS: May I add a corollary to Jonathan's question? And that relates exactly to Jonathan's question. Jonathan, one of the arguments you made is that opening up the new gTLDs was to create a taxonomy, but creating a taxonomy could almost better be done top-down couldn't it rather than bottom-up? We have all sorts of conflicting requests for new gTLDs that are plural, singular, very similar, etc. So if you wanted to create a proper taxonomy, one way of doing it would have been from a top-down process – to say, "Look, here are all the pharmacies, here are all the doctors, here are all the whatever it might be." So that's just an additional wrinkle to Jonathan's [question].

DAVID DICKINSON: Yeah, and from the survey I can't comment on the wisdom of top-down versus bottom-up classification systems.

JONATHAN ZUCK: [inaudible].

DAVID DICKINSON: Yeah, I almost went into that and then I decided I better not.

Here is some of the enforcement… Actually, this is not the one I was thinking of. These are the options. So we said, "We'd like to ask you another question about restrictions on registration of a gTLD. Do you feel that each of the following restrictions should be enforced?" So here is an expectation of enforcement. And you can see for each of these

types it's up on average 71%, 76% globally. A little bit of regional variation here, not a ton. So this is where they're saying, "Yeah, I think it's a good idea that you validate or enforce that these sorts of things happen." But let me find the other slide here now.

JONATHAN ZUCK: So there was a pessimism slide about this but there's still an expectation slide, and yet there's a high degree of trust in the industry which also feels like an inconsistent result. So this slide that you just showed us is about expectation or desire at least for enforcement and then you had another set of results that was about a cynicism about anticipation of enforcement.

DAVID DICKINSON: So the majority still have a high or moderate level that trust will be enforced but North America and Europe have much lower, and you see its only 50% in North America. So half the respondents out of North America said, "Really, I don't have much confidence that these are going to be enforced."

JONATHAN ZUCK: That machine is really noisy.

DAVID DICKINSON: Yeah. For those of you not in the room, that's a Cappuccino maker.

JONATHAN ZUCK: For the record.

DAVID DICKINSON: Now that we're talking and I'm looking at this, you could – I mean, it's plausible from what you're seeing here – is that you've got a situation where if I'm looking at a .builder or something that has a high literal interpretation, I have an expectation that there's some validation that somebody's looking at that and making sure that the person who's registering that is doing it for an appropriate reason. But a lot of people have more skepticism that it's actually going to get done, especially in North America. And that could be as much a measure of cynicism as it is anything else.

JONATHAN ZUCK: It's just ironic that that cynicism isn't reflected in people's perception of the domain industry. Is it cynicism about Megan and her cohorts in the Commission and in government to do this? I know we're trying to ask you theoretical questions and all I'm trying to get at is that the job that we have will be to try and build narratives around questions and so I think we're not ready today or have the time but we need to in the next… while you're here I think try to come back to you with the questions we're trying to ask and get your guidance about where to pick from, and this is just an example that these questions that are proximate to each other aren't the only ones that apply to this but also people's expectation that the reason there was an expansion was to create a taxonomy applies to this. It's that kind of question I feel like we need to come back to you with – here's the high-level question we're

asking, the sub-level questions that we're asking – how can you with the data you have help us to build a narrative around those questions? Does that make sense?

DAVID DICKINSON: Right, yeah. And I think in this question here just looking at these regional patterns, at least some of that is perception about formal entities, government, regulatory bodies, those sorts of things. So my narrative from looking across all of this would be, there's not a lot – how to say this – they have a high level of trust in the industry, there's not a lot of perception – you see some but there's not a lot of perception of malfeasance or mistrust and even the things that people know to worry about, the worry is not extreme and it's declining. So some of those bad behavior measures. So people are getting somewhat inured to that sort of stuff.

So it's not like somebody's pointing a gun at you and you really want somebody to enforce your safety, it's relatively – I don't like using this term and it's the only one – it's low stakes which is a bad term but hopefully it conveys what I'm trying to say. It's not perceived as a hugely high risk situation right now. It's more yours to botch than it is that you have to capitalize on something. Does that make sense?

That would be my narrative from having done four of these surveys now – that you've got a lot of permission out there right now. You can't botch it and you have to be attentive to what people's expectations are, but it's not you're on the cusp of a disaster kind of high risk type thing.

JONATHAN ZUCK: I certainly think that's a valuable narrative for this report. As you say, Megan, that there's some tension around safeguards for example and the case can be made that there are areas in which the stakes are higher in the case of drugs or something like that, and that we can say objectively the stakes are higher. And I know that Laureen's team is going to be looking into bringing industry into the conversation about whether the particular safeguards that were put in place are appropriate. But that we can potentially conclude that there is an end user preference for them in terms of enhancing their trust of the DNS or something like that. So the beginning of a narrative there.

I guess that's kind of what I want to get at is, our very next step is to go and start writing narratives about this which is why we need to come back to you. I want to create the expectation, David, that we're going to come back to you with specific questions and ask your help in going to the whole survey and saying, "Question #3, #11, #27, and #52 through 90 are the ones that you should be looking at to build a narrative around here and here's what we think you can say in broad terms." Something like that we may be trying to come back to you with that kind of question because things are all over the place in a way to build those narratives.

DAVID DICKINSON: It's a lot and you're welcome to do that.

JONATHAN ZUCK: Carlos had something and then Jordyn. I hope I'm managing the queue alright. Introduce yourself.

CARLOS RAUL GUTIERREZ: Before we run out of time would you, David, I want to test one of these questions and narratives. We have this overall feeling that we have a better taxonomy and the trust has not deteriorated, nevertheless arithmetically we have more TLDs and some of them are being given away for free so if you can use them and drop them after a day or two so I don't want to miss the opportunity to have you here and have a cross-check with the very last segment of your presentation on behavior. Because my assumption for this narrative is, "Okay, trust is one thing but the sheer number of new TLDs and the lower price may induce to more abuse." So there is, as you said before, no clear causality there between higher trust and the amount of abuse or bad behavior. So I don't know if you have one or two slides of the bad behavior section that we can still look at together. Thank you. Old bad behavior or new strange behavior like parking.

DAVID DICKINSON: What this slide shows is awareness of different types and what we see here is what we saw before, is that people who've gone through the registration process have higher reported awareness but they don't have any greater fear, they haven't taken any greater actions. So awareness of this kind of stuff doesn't necessarily translate to personal behaviors.

Where it comes from is – you can't really read this but – most people have speculated it's people, organized groups outside the country or individuals inside or outside the country, it comes from everywhere

basically is what they're saying and that it's very common. So spamming is very common, everything's very common here relatively except cyber-squatting – which a lot of folks may not fully understand what that is. But stolen credentials, all of those things very commonly perceived as relatively common.

But the personal impacts, they've been affected by it but they don't necessarily have huge amounts of fear – "very scared" being at 37%-40%, that's still a significant thing but it's not overwhelming and it's actually tailed down a little bit. It is higher just marginally for the registrants than the consumers but not substantially.

I don't want to just rattle through data, but what I don't see here is anything that's saying… There's nothing here that we can use to say that proliferation of gTLDs and websites is somehow increasing this stuff or the perception of this stuff. If anything, it's flat even as these changes have come through. So I haven't seen anything that would suggest any sort of causality, and when you ask people how do they tell if a website's legitimate or not, again it goes back to a set of markers. Do they see a security icon? Does it seem to be what it's about? What's its rank in the search results? Things like that. People still are feeling that they can navigate fairly easily through what's real and what's not out there, or a lot of people are.

They recognize that there are safer ways to do things – having an app to get some place is probably safer than searching, but the easiest thing to do and the most common thing to do is search. So even though people know there might be safer ways or quicker ways, they're defaulting to

what's easy which is search. So we're not seeing significant movement there.

JORDYN BUCHANAN: I was just going to say it may be that we're trying too hard to look for patterns in the new gTLDs and it may be that for some of these questions we ought to reflect back on legacy TLDs as well. Again, it's something like the confusion that we're pointing out. For example, a lot of people might think that .org is or should be restricted to non-profit organizations but it's not. And so the same exact pattern would apply where you would say people might be expecting restrictions but they don't really get them and somehow they've suffered through and generally think that the DNS works pretty well anyways. Even on spaces that we think have pretty good restrictions on them now like .edu used to have very different standards like now it's four year colleges but for a while any sort of school-ish thing could register so there's some elementary schools are on .edu too. Even .gov, now it's just the federal government. It used to be like nyc.gov exists, too. And so you get this hodge-podge of legacy practices even in places that are very restricted now. And it may be that consumers have learned from legacy gTLDs that even where the taxonomy ought to exist it's not as clean as we expect and new gTLDs aren't really different from legacy gTLDs in this respect.

DAVID DICKINSON: I think that's a very salient point. We're seeing a lot of similarity. It's an extension, not a revolution.

JONATHAN ZUCK: Thanks, Jordyn. I guess my only caveat to that is that given the objective to use different techniques to improve consumer trust, we're still being asked the question of whether we succeeded in doing that. So the answer may be no or it's neutral or flat or something like that, but that's still an answer. In other words, that our efforts in the program to improve trust didn't succeed in doing so. That's why I think we're trying to do the trend analysis to the extent possible.

JORDYN BUCHANAN: And I don't disagree with that necessarily. You were saying before, "I don't understand these people. How do they believe these two things at the same time?" And my answer is maybe we've trained them to believe these two things at the same time and they're just extending their understanding of how the DNS works today into the future.

DREW BAGLEY: In the previous survey, the Consumer Oriented Survey, the analogous section made distinctions between new gTLDs and legacy gTLDs for questions involving abusive behavior. And so I was wondering, I didn't see any distinctions in the breakdown here but is there any way that you can draw distinctions based off of other questions asked to these respondents? Would there be a way?

DAVID DICKINSON: You're saying spamming, malware, phishing, was delegated by – to use a term – new gTLDs versus existing –

DREW BAGLEY: Yeah, the perception from registrants on these issues, if they were personally impacted by abusive Internet behaviors. So, for example, if they said they were impacted by spamming on new gTLDs versus [legacy].

DAVID DICKINSON: I beg to differ. These questions were generic in both surveys.

DREW BAGLEY: The section as a whole in the other survey? So maybe these specific questions were but the section as a whole made a lot of distinctions. And so perhaps there were many more questions asked in that one related to [inaudible].

DAVID DICKINSON: I'd have to look at exactly what you're referencing because that's not ringing a bell for me. This section was always kind of more generic and outside of the specific gTLDs.

DREW BAGLEY: Okay, so there's nothing that could be drawn –

DAVID DICKINSON: Yeah, because these specific things were about behaviors on the Internet in general and not specifically related to… We asked questions about how you validate a website that's got an extension and what their perceived level of trust is. We asked that question specifically about

each of the gTLDs. So we've got that data but unless I'm just totally spacing out this data has always been generic.

DREW BAGLEY: Okay, yeah. I remember some questions in the sections. [Inaudible].

DAVID DICKINSON: Organizationally they could have been close to each other –

DREW BAGLEY: I think that's what I'm thinking of because it was a larger section I think in the other one. [Inaudible].

DAVID DICKINSON: This report is different because we tried to break it down a little more topically.

DREW BAGLEY: Okay. And [inaudible] some areas with distinctions. Okay, yeah. So I'm just especially curious because we know that what we were saying earlier about the general support that there should be more restrictions so then I was wondering if on the other end we could tie that into any other conclusions about perception of new gTLDs versus legacy with regard to [inaudible].

DAVID DICKINSON: We could look at some correlations – and again, correlation isn't causation but – you could look and see if "I'm very fearful. Do I have lower trust levels in the new gTLDs?" That is a chicken and the egg question. But I can look for some of those correlations.

DREW BAGLEY: Yeah, could you look for that and could you also look for if registrants who reported being victims of these things were more likely to be supportive of restrictions, and could we look at certain correlations like that? And perhaps we can think of some more together, but just off the top of my head. I think that would be really helpful. Thank you.

DAVID DICKINSON: Yeah, that we can do.

JONATHAN ZUCK: Laureen, go ahead.

LAUREEN KAPIN: I wanted you to speak to – because I think the Consumer Surveys and the material in the Executive Summary referenced this – the relationship between awareness of a gTLD and trustworthiness. How are those two factors related?

DAVID DICKINSON: I'm not sure I'm answering your question because structurally the way it worked in the questionnaire is they were only asked trust – if I'm

remembering right – they were asked trust for those that they were aware of. So it's a dependency there. But that in general what we see – if I'm recalling the structure of the questionnaire correctly – but in general I know what we have seen is that those names, and even in the new set of – I didn't say this because it's editorializing but I've done plenty of that today already – the new gTLDs that were included in this survey for the first time that got higher levels of recognition are the ones that are perhaps the most generic and self-apparent. So we continue to see a variety of things in the study. We saw this last year, we see it now, that this, "If it makes sense to me looking at it, I'm more likely to be accepting of it, to trust it, or not worry about it." And to some degree we may just not be scaring people as opposed to building trust.

JONATHAN ZUCK: Do we have you for the whole two days, David?

DAVID DICKINSON: No, I'm flying out tomorrow.

JONATHAN ZUCK: So this may not be just an exercise for this meeting but let's make sure that we put in front of David the high-level questions and sub-questions that we defined and get your help in identifying how we reach into the survey to build narratives around those questions. Because in many ways a lot more is covered in the survey than the things that we've asked as questions and in other ways the answers to questions are

spread out across the survey and I think we could use your help in building that narrative just like some of those crosstabs and things like that. So let's make it an objective for the teams and the people that have these assignments to try and figure out what questions we want to ask of the data because I don't think we'll do it ourselves. So I think we should try to ask those questions back to Nielsen if we can.

KAILI KAN: Or maybe just the other way around. Even before we ask the questions because you already have the other questions so maybe you can just do that specify which slide, what data, answers each question [inaudible].

JONATHAN ZUCK: It might be iterative I think is what you're saying. Let's start by giving them the questions we're asking and then you can start to get back to us with how we might go about answering them.

KAILI KAN: Don't you already have the list of questions?

DAVID DICKINSON: I'm not sure which list of questions we're referring to.

JONATHAN ZUCK: He doesn't. He has the list of questions we agreed to have him ask consumers. He has those questions, but the questions we've been tasked with answering he doesn't have. That's what I mean.

DAVID DICKINSON: [Inaudible].

KAILI KAN: Why don't we just [get them]?

JONATHAN ZUCK: Yes, that's what I'm suggesting.

KAILI KAN: And then you can do it proactively even before we ask [inaudible].

JONATHAN ZUCK: Exactly.

DAVID DICKINSON: And then as a mechanism for aggregating or funneling, Eleeza, are you willing to be the central point of contact for that?

ELEEZA AGOPIAN: I'm happy to help with it.

DAVID DICKINSON: Thank you. So we agreed, the process will be I'll get this list of questions, I'll go through and with my team and draft an initial guidance

document, you guys will then shoot questions back to Eleeza and she'll funnel them to us.

JONATHAN ZUCK: Does that work for everyone? Okay.

So the last thing I wanted to talk about that's sort of new to the survey is this narrative around alternative Internet identities, because we also had a negative portion of the – I forget what you called them – the non-qualified responses and things like that. So looking at both there was answers here and the answers from the non-qualified respondents, what do you feel is a narrative around the role that alternative Internet identities play in this market? Are they an effective substitute for people? It seemed to be there was some trend toward them and so what do you think we can glean from those two parts of your survey about that category of people?

DAVID DICKINSON: The first point would be that adoption or use of those what we call alternative identities is more common among the registrants than the non-registrants. So the people that we screened out were less likely to have those types of accounts, especially some of the publishing, blogging, those sorts of things. Social media there was less of a difference. Which is a typical pattern – the more active the more responsibility I have for certain aspects of things, the more likely I'm going to have additional tools at my disposal. So that's the first thing we see, that the registrants they're even more involved in those things.

JONATHAN ZUCK: Can you invert that? In other words, are people with more responsibilities more likely to have registered a domain name in addition to having a social media account? Is there a way to look at the question that way instead of the other way? Because I guess what we're trying to get at is the degree to which it's a substitute. And so if there's behavior that leads people that might not otherwise buy a domain name to buy a domain name I'd be interested in that as well as opposed to behavior that might lead me to also get a social media account. Does that make sense? Looking at the reverse more so.

DAVID DICKINSON: I think so. What the data says is that if I have a domain name, if I've registered at least one, I'm more likely to have those alternative identities as well than if I've never registered a domain name.

JONATHAN ZUCK: [Inaudible].

DAVID DICKINSON: Just they go together. And that could be I'm just a more active Internet citizen. I could be I'm in a marketing role. It could be a whole bunch of things that contribute to that. I could be a speculator. I could do a lot of things. In terms of what people say the impact of those things is, we are seeing they're saying that some people do make trade-offs about whether they need to renew or register new domain names or rely on some of these other alternative identities. So maybe I decide I'm just

going to market my business through my Facebook page and not have a domain. That appears to be happening in certain situations but not universally. So I may make that decision for one domain. I'll use my personal anecdote. I used to have a family domain name that I don't have anymore because I've gone on to other things, but I registered a family domain name. So that sort of situation. I could decide that my Facebook page is a better use of that now.

So we are seeing some of that. And we're seeing people say, "Yeah, it's going to be a factor in my decision whether or not to register in the future." So we are seeing acknowledgement that the variety of tools that I have at my disposal to promote either myself, my organization, my company, there's interaction there. And in some cases it's causing people to drop or not register domain names. In other places it's not because they have a variety of expectations about domain names.

JONATHAN ZUCK: And within the non-qualifieds who had social media accounts but haven't registered domain names, what can we say about those people and how prevalent was that? You said it was less so in the non-qualifieds than it was in the qualifieds, but so in the people that hadn't registered what percentage of them had social media accounts?

DAVID DICKINSON: I'd have to pull up an e-mail in order to be able to answer that because we didn't do as much analysis on that data so I'd have to look at it. I wouldn't want to misspeak. My recollection is that social media was reasonably comparable but other things like blogging and third party –

JONATHAN ZUCK: I guess I'm not interested in a comparison between the two as much as is the cadre of people that view it as a substitute a large number or a real minority? That's what I mean. Of the people that are only using a social media account or a blog account or something like that and are not registering a domain name, is that just on the periphery or is that a statistically significant number of people? That's the question I'm trying to ask.

DAVID DICKINSON: My recollection is – I feel like I'm in the Watergate hearings – my recollection is –

JONATHAN ZUCK: I won't hold you to your answer I guess and that'll be one of the questions I can forward to you.

DAVID DICKINSON: I can validate this recollection, but my recollection is that for the majority of people who didn't register a domain name the reason was not that they had an alternative. The reason was they didn't have a need, they just hadn't thought of registering one, those sorts of things. So they may have had a social media account but it wasn't substitute behavior, it was just they hadn't needed to register a domain name and, "Yeah, sure. I've got a social media account." That's my recollection of that data. But I'll validate that for you.

JONATHAN ZUCK: Okay.

CARLOS RAUL GUTIERREZ: Jonathan, are we talking about registrants or consumers in general?

JONATHAN ZUCK: So just to clarify, and David can clarify this better, we did something different in this survey in that we asked, "Have you registered a domain name?" And if you did, we asked a certain set of questions. And if you said, "No," we asked another set of questions. So [inaudible].

DAVID DICKINSON: Very short. Very short.

JONATHAN ZUCK: [Inaudible] about social media to the people that didn't register a domain name at all to get a sense about whether or not there was a significant portion of people that were using social media as a substitute.

CARLOS RAUL GUTIERREZ: So consumers [only].

JONATHAN ZUCK: So in a way it was consumers generally because we went to non-registrants as well.

KAILI KAN: But also I need to point out the Nielsen was only surveying people or entities who had already registered either new or in the past register. Aren't they all new or just randomly surveying people from the overall society?

JONATHAN ZUCK: In effect, and maybe can speak to this. I don't know what the actual implication is but the very first question we asked in the survey is, "Have you registered a domain name?" But then we also, if you said, "No," normally we would just hang up the phone but that's not what we did here. Instead, even people that said, "No," we asked about their social media behavior. So those are not people that have registered an old or new TLD. Does that make sense? There were two branches.

KAILI KAN: Not exactly. So you are just randomly taking phone numbers and make a call?

DAVID DICKINSON: No. The survey is conducted over the Internet and people are recruited. They come off of these panels. And so they're recruited to participate. They go in and they're asked some screening questions –

KAILI KAN: How do you recruit these people? From what source?

DAVID DICKINSON: They're empanelled, essentially you can think of it as a gigantic list. It's what's called a "panel" and they're people who have been… They recruit them in a whole variety of ways – banner ads, prior participation, other stuff – they build these panels to be reasonably representative and we use different panel providers to get coverage in all the countries.

KAILI KAN: So you mean that you have assembled in general all [netizens], whoever will be on the Internet will be included in your [inaudible].

JONATHAN ZUCK: [Inaudible].

DAVID DICKINSON: From my personal experience the only characteristic of panel people that's consistent is that they take surveys. Other than that, they're… Personally I've talked to individuals on certain topics who were in a survey, came from a panel, and I interview them as a follow-up. So I'm actually talking to these people on a web cam or something. And the distinguishing feature is they take surveys more often. They like doing it.

KAILI KAN:	Okay. So these are the three thousand few hundred that you have taken.
DAVID DICKINSON:	Yes.
KAILI KAN:	And out of that three thousand something, how many answered yes how many answered no?
DAVID DICKINSON:	Out of those 3349, all of them had registered but if I said, "No, I haven't," then we had a very short survey that said, "Have you done these things?"
JONATHAN ZUCK:	[Inaudible].
ELEEZA AGOPIAN:	7288.
JORDYN BUCHANAN:	That got filtered out, or the total [inaudible].
ELEEZA AGOPIAN:	[That got] filtered out.

JONATHAN ZUCK: [Inaudible] people that answered the shorter survey than answered the longer one.

DAVID DICKINSON: Exactly.

KAILI KAN: So overall you surveyed over 10,000 people, among them 3000 answered yes and then you went on with that and these 11,000 have no particular [characteristics] except waiting to answer surveys.

DAVID DICKINSON: And 18 years of age and older. So I found the data. Out of the non-registrants, the majority hadn't considered registering a domain name 58% had never considered registering one at all, 22% currently use those online identities instead of having… They say they do it instead of having a registered domain. And for the majority of them, that's a social media account. The prevalence of the web pages and other stuff – tiny, much, much, smaller.

KAILI KAN: So if that is the case, it really surprises me. That means about one third of the people who go on the Internet have registered domain names? That is out of your 11,000 you got 3000 or something –

DAVID DICKINSON: We'd also have to look at how many people didn't bother to answer [inaudible].

KAILI KAN: But in China, China has 1.3 billion people. I wouldn't say 1.3 million people have registered. Nobody in China are able to register. It [has to] go through all the scrutinies of the government [to] register a domain name. So that's one out of a million I would say in China. And so you said 16% of answers came from China, and that says that it's like 200 million people in China registered domain names. No way. Absolutely no way. There's a I think it's [inaudible] by orders of magnitude by thousands or millions.

JONATHAN ZUCK: [Inaudible].

DAVID DICKINSON: That's what I've been trying to say is this wasn't set up to identify incidents. We would go through a much different process if we were actually trying to identify incidents. And even before we got there, there's a difference between general population and Internet users. And Internet users are going to –

KAILI KAN: China has 800 million Internet users.

DAVID DICKINSON: Fine. It's less than the number you said a moment ago and then. So that's the first thing. And then we'd have to set It up to exactly try and measure incidents which we weren't. We were just trying to get some data on those people who said, "I have done this."

JONATHAN ZUCK: [Inaudible]. I wanted to make sure that it's brought close to 100 people that had registered domains and I ended up having to speak to 1000 people in order to speak to 1000 who had registered domains, can I extrapolate to the general public that or to the Internet public that 10% had registered domains? That's the question [inaudible].

DAVID DICKINSON: Yeah. And how close could we have gotten if we had set it up with that as an objective, closer. I still would hesitate to do that with any kind of Internet sample because those people are going to be more active Internet users and so there's going to be a correlation between who's in the panel and online behaviors of a variety of sorts. I think that's one of the inherent issues with online panels.

JONATHAN ZUCK: [Inaudible].

DAVID DICKINSON: Yeah, they're more active Internet people. They're on the Internet more. We don't ask how many hours you spend on the Internet or things like that.

LAUREEN KAPIN: Just a quick question and again I'm mindful of the break also. You had talked a little while ago about there not being any decrease in consumer trust overall, to the contrary it's either been stable or maybe even increased a little bit over the time of the survey. I'm wondering just narrative-wise how you also account for the very different levels of trust between the new gTLDs and the legacy gTLDs. Since the numbers are very different. They're almost half.

DAVID DICKINSON: Right. We didn't ask a specific question as to why – familiarity, time in market, how commonly you see them – all of those things would typically be things that would play into that. A very common dynamic anywhere is the longer something's been around, the more times I've been exposed to It unless it is repeat negative exposure, the more trustworthy it's going to seem.

JONATHAN ZUCK: Thank you very much, David, for your time and obviously we'll be interacting with you quite a bit in the future to try to piece together narratives to these [than] possible. Surveys are tricky things in a lot of ways.

DAVID DICKINSON: They are.

JONATHAN ZUCK: We're going to be trying to come back to you with that. So we're going to do a break and then at the end of the break try and do a photo. You want to try and do it first?

So we're going to go outside and take a photo in the hall and then we'll start your break. Alright, so don't wander off. Right out here in the hallway we're going to take a quick photo.

[Break]

JONATHAN ZUCK: Alright folks. Let's try to find your way back to your seats so we can get going again. Thanks. Because we've already started our recording. Don't be a troublemaker, Theresa.

Alright folks, do we have observers online in addition to the ones that are in the room? Okay, so everybody's here. That's excellent. I'd like to just hand it over for Greg for a summary of… We had a little summary of some of the results from the Phase 2 economic research. Thanks.

GREG RAFERT: Great. Thank you, Jonathan. It's nice to meet those of you I haven't met before. As Jonathan mentioned, I think we're just going to go through a relatively brief and high level overview of the work but I'll obviously be around today and tomorrow for any questions and I'll be meeting with one of the subteams as well. So happy to chat either offline or online.

So this will surprise I think very few of you in the room, we were retained by ICANN to assess and look at the competitive effects associated with the New gTLD Program by looking at a number of competition-related metrics. This work, although it's supported by a pretty big team, but Analysis Group the two names you'll see associated with the report – one is mine but then the other is Catherine Tucker who's a professor at the MIT Sloan School of Business and hopes to at some point be able to make one of these meetings to meet all of you as well.

In terms of our approach, to think about and assess the extent to which the New gTLD Program had any competition related impact on the marketplace for domain names we first published a Phase 1 report last year, and that was really designed to establish a number of baseline metrics that we could then go back to a year from now – which is now – and think about how those metrics had evolved or changed over that one year period, recognizing that there's only so much that you can see change in a single year but to begin to think about whether or not we are seeing any interesting changes in the marketplace.

So in thinking about how one might assess competitive effects, there's a number of metrics that you can look at. I've put just a couple of examples of the metrics that we include in the report both in Phase 1 and Phase 2. One is you can look at changes in prices that registries charge registrars – we call those wholesale prices in both the Phase 1 and Phase 2 reports. You can look at changes in prices that registrars themselves change to potential registrants. You can look at the retail market, so the difference between the price that registrars are changing and the wholesale prices that they themselves are facing. You can also

look at whether or not you see any types of changes in registration patterns over time. For example – and this is a complete hypothetical – but if you saw that when a certain gTLD entered, right around that time, controlling for all the factors that one might think effect registrations, if you then saw legacy registrations in .com, .net, .org, etc. fall that might be indicative or suggestive of competition in the domain name marketplace.

I think I've already really covered this, but this last bullet here just says now in Phase 2 we really want to take a step back and see what's changed over the course of the last year. And I should note if you have any questions while I'm talking please feel free to interrupt me. I'm an economist and we're really good at that. So I won't take any umbrage.

ELEEZA AGOPIAN: Greg, could you slow down a bit?

GREG RAFERT: I will attempt to slow down.

JONATHAN ZUCK: I know we only gave you 15 minutes. Take 25 and it's okay.

GREG RAFERT: Okay, that sounds good. I will do my best to slow down then.

So we rely on a fair amount of data in the report, and here I've included several examples of the key sources of data that we rely on in our

analyses. First, we look at historical registration volume data primarily obtained from monthly transaction reports from ICANN. That said, we also put in a separate request to Domain Tools who worked with us to provide WHOIS registration data going back to 2013. The intention of this request was to think about whether or not as Geo TLDs enter into the market – so for example and the way that we refer to them .nyc, .tokyo, .capetown – when these Geo TLDs enter into a given area, do you see any changes in registration activity for registrants located in that area as well? And you'll see some of those, or we'll at least talk about some of those results in a little bit.

We also collected wholesale price data for the new gTLDs in our sample. These were via requests that we sent to registries. Most of the requests that we sent were responded to in a positive way, although we did not receive all of the data that we had hoped to receive. We also obtained legacy wholesale price data as well through price change notices that are supplied to ICANN.

And then finally, we requested actually pretty detailed data initially from registrars. Our hope is that we would be able to get transaction level data so we would actually be able to see for each individual who bought a registration, how much did they pay, when did they register the domain, and what TLD was it, what was the string associated with their registration as well. We unfortunately did not receive that.

So then we went back on a second round of requests and asked for just their listed retail prices in hopes that we wouldn't have to go collect it ourselves. We unfortunately did not receive that as well. And so we relied on a combination of manually collecting data from registrars'

websites for one year registrations and also from DN Prices which is a collector and provider of this type of information.

Eleeza, am I talking slower? I'm trying really hard.

So cutting to the chase, the next couple of slides are going to highlight some of our key findings. The report is very close to being finalized. Our expectation is that we'll have a final version of it done within the next week or two, at which point I'm guessing that many of you will see it. But to highlight some of our key findings now, first with respect to prices we find a slight indicates that for new gTLD registrations, both the average and median retail prices – so the prices that registrars are charging to registrants – declined as well as the retail mark-ups associated with those registrations for new gTLDs. And I've provided an example up here.

So we see that from Phase 1 to Phase 2, for the new gTLDs in our sample which is pretty large, that the median retail mark-ups have declined from 85% to 74% over the course of one year. We've seen relatively little movement in wholesale prices for new gTLD registrations. Once again, the last bullet here provides an example where the median wholesale price was actually $20 in both Phase 1 and Phase 2 – so there's actually no change – while the average wholesale price for new gTLD registrations declined from $21.87 to $21.46.

KAILI KAN: Thank you. Here you said that the median retail mark-up for new gTLDs declined from 85% to 74%. There's a percentage over what? Later on you said the wholesale is $20 while the [inaudible] wholesale prices –

GREG RAFERT: So the retail mark-up is in relation to [those] so it's the difference between the retail and the wholesale price.

KAILI KAN: So then is for example if it is $20, then the retail price would be $35… $30-something? That is what you're saying?

GREG RAFERT: I'm notoriously bad at doing math in my head, so I will accept your… But yes, it's essentially yes.

KAILI KAN: But the last time I believe that in our group we have circulated some kind of publicly available price data, and my impression was that it's much, much, much, lower than this figure, like $20-$30 price range. What I saw there was like $1 or something. What was that? I think it was earlier this year.

UNIDENTIFIED MALE: [Inaudible].

KAILI KAN: Was that because there seems like this like a $30 price range is in my impression is off by order of magnitude. I don't know if others have that impression or not. Thank you.

JORDYN BUCHANAN: Greg, when you're looking at these price ranges, are you taking volume into consideration, like are you waiting for volume because I suspect Kaili's observation is probably correct that there's a large number fraction of the total [S]LD registrations are at relatively cheap prices but if you just look TLD by TLD, you'll see many of the TLDs with lower volumes will have higher prices.

KAILI KAN: Just with the background knowledge that earlier we mentioned that China has over half of the new registrations, and my understanding is that in China even the retail price is somewhat at about $1 a piece or even less. So I don't know how did you get that number? Thank you.

GREG RAFERT: Thanks. I think, Jordyn, your point was particularly on point. These are not weighted by registration volumes. We will have I think there's a couple tables in the report that we're putting together where we do weight by registration volumes. My recollection from that exercise, and I'd have to double check, but that we were seeing average weighted prices for new gTLDs somewhere in the $8-$12 range just to give myself a little wiggle room.

KAILI KAN: Well I would appreciate if you can [do it again another] more weighted average pricing because for the so far the registrations over last two years has been in the tens of millions or hundreds of millions order of

magnitude, my understanding. So at that average price, I think is way off. Thank you. So please do another weighted average price. Thank you.

GREG RAFERT: Yeah, and you'll see that in the report.

JORDYN BUCHANAN: I think the other thing you guys maybe don't have included or don't have access to or if registries do promotional pricing. So if they have a standard price of $10 and then they I know .xyz for example have a one week sale or something like that where it's like $1, you wouldn't necessarily capture that lower price because you just ask them for what their standard pricing is. Is that correct?

GREG RAFERT: That is correct.

STAN BESEN: That's the median across gTLDs?

GREG RAFERT: Yeah, that's the median across gTLDs that were in our sample. So I will note that we didn't go out and obtain wholesale price data and retail price data for every single new gTLD out there. We collected information on I believe 125 new gTLDs and those were determined to be… The selection process was designed to sample from those that had

a higher number of registrations relative to those that had a lower number.

STAN BESEN:　　　　　The question I really have is that the retail price data that I've seen varies widely even for a given gTLD, the quoted prices vary widely.

GREG RAFERT:　　　　That's correct.

STAN BESEN:　　　　　How would you handle that?

GREG RAFERT:　　　　We collected data for a given TLD from the set of registrars that offer that TLD, and then we weighted the prices based on the number of registrations coming from each registrar.

STAN BESEN:　　　　　So there's one number for each registry.

GREG RAFERT:　　　　That's correct.

STAN BESEN: Which is the weighted average of the quoted prices and then you calculated the median across gTLDs.

GREG RAFERT: That's correct.

KAILI KAN: Well if [it's] a median I think it's even off. Median means half is above and half is below. Is that correct? That's my understanding. If that is the case, I think this figure seems even more off, at least according to my impression. It's even maybe more than an order of magnitude.

GREG RAFERT: I think one thing that would be helpful – and Kaili, you mentioned this earlier – is to see the data that you I think had seen floating around. We obviously don't need to do that right now.

KAILI KAN: Yeah, I think that was maybe from that website from Carlton.

UNIDENTIFIED MALE: [Inaudible].

KAILI KAN: Yeah. And looking across that website, the [offering] price was much, much, much, lower [than]. So I just wonder where this kind of discrepancy came from.

GREG RAFERT: I think part of it goes back at least to I think a point that Jordyn raised a little bit ago which is that this isn't weighted at all to some extent.

KAILI KAN: When you say median, isn't that weighted? You mentioned [it].

GREG RAFERT: It's weighted by registrars. It isn't weighting at the TLD level so we don't know… And like you said, I think once you weight by registration volume at the TLD level it's something like between $8 and $12. But we'll definitely include that in our report.

KAILI KAN: Yes, another –

JONATHAN ZUCK: So Kaili, this is not transaction data, so I think that's the difference is that more people bought cheaper ones than expensive ones, and so this is as if everybody bought the same number of each type of TLD this data looks at it that way. But the fact that more people bought ones that were less expensive changes the transactional average to be much lower which is the $8 or $9 number.

KAILI KAN: I agree. However, the website that Carlton provided he just mentioned quite a few minutes ago that it was the listed pricing as well.

JONATHAN ZUCK: It was what pricing?

KAILI KAN: Listed – it's not the [transaction] data. That was the listed price.

JONATHAN ZUCK: Yeah, okay. What I mean by transaction is the –

KAILI KAN: Actual price.

JONATHAN ZUCK: Well no. I mean the number of people that buy… If I say that .photography costs $10 and I say that .bank costs $1000, then I could say that the average price is $500. But the truth is many more people are going to buy .photography than .bank and that is not in these numbers yet. You see what I'm saying?

KAILI KAN: So that means the median – half above, half below – that is –

JONATHAN ZUCK: Just list prices within those domains.

KAILI KAN: Not by registration [how] –

JONATHAN ZUCK: Exactly.

GREG RAFERT: That's right. And this is the $8 number that I've thrown around [inaudible].

KAILI KAN: Again, back to Jordyn's comment that please weight it by registration not by registries or registrars. Another issue that I [haven't] probably not explicitly stated here is that the decline of retail price that you mentioned the retail mark-up has declined. I just want to point out that may or may not be due to competition introduced by the New gTLD Program because from what I see is that earlier this morning that Nielsen mentioned there's substantial competition from other channels, others even competing against the DNS overall. So please do not interpret this decline because of New gTLD Program but I would say may be more because of other channels available like registration of Facebook or blah, blah, blah. Thank you.

JONATHAN ZUCK: Maybe. And let's just remember this is a very short… You're going to have a lot of time with Greg in your subteam meeting on Competition so let's not get too much in the weeds for this presentation.

David, you have a high-level question.

DAVID TAYLOR: I do, I think. I just wanted to know for this did you include premium name pricing or not?

GREG RAFERT: We did not include premium name pricing. It was something we requested from registries but we were not able to obtain it from most of them. We have a little bit of data and we haven't done anything with it because it was a relatively small amount but we do have some.

DAVID TAYLOR: And even on that point, did you ask that of registrars as well because obviously they can add on what they want to and did they provide anything?

GREG RAFERT: They did not unfortunately. We did ask them for it but we did not receive any information.

STAN BESEN: Just to make the distinctions clear, one issue here is whether we have list prices or transactions prices. That's one question. A second question is, is the average of those list prices appropriately calculated? Your example of the 1000 and the 10, there's a famous example of the horse and rabbit stew – one part horse and one part rabbit. It's not just an average of the two. You've got to take into account the weights.

JONATHAN ZUCK: So back in the high level, back to David's question, Greg, as far as premium price and you say you have some, is your final report going to grapple with that issue at all or is that something [that] left for that exercise for the viewer?

GREG RAFERT: We weren't intending on including any discussion of it or any kind of analysis of the data just because we received so little. And I think it's where we were planning on ending up but I'm obviously happy to discuss with everyone who's in the room to determine whether or not we –

JONATHAN ZUCK: I recollect back to the IAG group – the Implementation Advisory Group – that recommended that the study be put out in the first place and I know that part of the impetus for having you look at pricing was about anomalies and it was people reacting to how these things were – strange practices and pricing behaviors and things like that – that I feel have gotten a little bit lost in all these averages and medians and things

like that that I think that in some way looking at outliers is what the community is very interested in, and so I think we need to find a way to get to that [some] analysis. We're going to need to provide some analysis of those notions because that was part of the impetus of, "Wow, it was the Wild West of pricing," and you've in a way through your analysis normalized what is perceived by many to be a very non-normalized set of prices.

Just like Stan mentioned earlier, when we actually look at list prices it's all over the map and it's different even for the same TLD and things like that and how we provide commentary on that is not immediately obvious from so many averages and means it makes everything feel like it's got some normalcy to it that it doesn't really. And so I think we're going to be looking for help in trying to understand how to get past averages and more into these abnormalities.

GREG RAFERT: I agree and I think one thing this conversation is unfortunately suffering from a little bit is you're looking at a presentation that was designed for 15 minutes and so I think most of the tables that we're putting together for the report we try and show as full of a range of the data as possible. We plot a lot of the variation that you're seeing in the data. So I think that will at least help to begin to get at some of your concerns. It obviously I don't think will be able to do a very good job at getting at premiums for example. It's a little harder to think about how you might show the variation even for a given TLD what different registrars charge for that as well, but we could think about putting more descriptive analysis into the report .

LAUREEN KAPIN: I was just wondering when just to your point Jonathan, if the charts can depict clearly the variation. I mean if you had a chart that basically shows dots for all the different prices at least that would be a visual where people could see it's not just everyone was charging between $20 and $22, actually people were charging between $500 and $.99. I think Allstate has that great commercial where they have all the information presented on this big chart… Anyway, it's just an observation.

GREG RAFERT: I agree. I think hopefully once you have the report in front of you you'll see some of that variation.

JONATHAN ZUCK: Thanks, Greg. Because I know that when Stan first saw that pricing data I think part of the difficulty is, how can we possibly explain this? Is there such a lack of information out there that people are willingly going and paying more for things for the same thing that's available someplace else for less?

If it's a brand recognition thing, like Network Solutions for example is more expensive than the others. Is it a brand recognition thing and [is] that brand recognition persisted in such a way that they're still getting a higher proportion of customers and therefore it hasn't had an impact on the overall average or something like that.

I guess how we can actually dissect the impact on competition is tough when there's so much variation.

GREG RAFERT: I agree, and just as an example I think it was either .loan or .accountant that I think at the time was being charged I think the wholesale price was relatively low and the retail prices that we saw being charged were upwards of $40 or $50. And you actually saw registrations at the registrar who was offering prices at that level. So you see some interesting behavior. And I think part of that was brand recognition.

KAILI KAN: Just have a small technical issue here for the second point you're trying to make. You're trying to make a conclusion, but here you're comparing the median wholesale price with the average wholesale price. So if that is the case, probably –

GREG RAFERT: No, we're just, I think it's just –

KAILI KAN: You're comparing two different prices. One is the median and the other is the average. They do not hard to compare. So hard to conclude it much.

GREG RAFERT: No, I think there's just a little maybe confusion. So it's the median price is $20 in both Phase 1 and Phase 2. So that's one comparison. And then there's the second comparison which is average.

KAILI KAN: Sorry. Thank you.

GREG RAFERT: That's okay.

JONATHAN ZUCK: [Inaudible].

GREG RAFERT: Thank you. Now moving from prices we also looked at – and in this slide we're talking about movement among [and] particular registries and registrars with respect to their registration shares and comparing Phase 1 and Phase 2. So what we did – and this is the first sub-bullet up there – is we looked at the shares that were held by both registries and registrars of registrations, and by the top four registries for example, the top eight registries, and the top 15 registries in both Phase 1 and Phase 2. And what we saw were some pretty significant declines, or at least relatively significant decline I guess I'll characterize it as between the share of registrations held by for example the top four registries. So if you look from Phase 1 to Phase 2 – and this is across all TLDs, so both legacy and new – you see a decline of from 97.9% - that's the share of

registrations held by the top four registries – to 90.7% from Phase 1 to Phase 2.

We also then just looked at the share of new gTLD registrations that were held once again by the top four, the top eight, and the top 15. And once again this is just by way of an example. We found that the share of registrations held by the top four registries just for new gTLD registrations decreased from 66.6% to 31.5%. So it's a relatively significant decline I would say.

And then I think this actually goes to a point, Kaili, you had made during the Nielsen presentation. One of the interesting things that we observed – and it might be related to some of the speculating that you had mentioned earlier with respect to China – was that Network Solutions actually dropped out from our Phase 1 ranking as being the top registrar, and there was a Chinese registrar whose share increased from I believe it was 2.9% to just a little bit over 24%. I use that as an example of there's a lot of movement as to who's showing up in the top four, top eight, top 15, which suggests somewhat of a dynamic market as these new gTLDs are entering into the marketplace.

JONATHAN ZUCK: Just a quick clarification, when you say new gTLDs, do you mean is this new registrations or registrations of new gTLDs?

GREG RAFERT: It's registrations of new gTLDs.

JONATHAN ZUCK: So did you do this number for new registrations as well as opposed to total? In other words, do we know in the course of this most recent – what's the word I'm looking for – in the registrations that have happened in the past year, for example, what those percentages look like? This is overall that you're looking at?

GREG RAFERT: Yeah, I'm trying to think back to the data that we have available. I don't think we have data that would allow us to do that, but I can double check. I think we would have to go back to Domain Tools or another provider of WHOIS data to do that type of analysis.

KAILI KAN: Just to clarify the last point related to China. So you're saying by new gTLD alone, Network Solution [inaudible] with top 15 dropped out a Chinese guy came in [at] only by new gTLD [inaudible].

GREG RAFERT: Only by new gTLD. And actually I believe was the registrar with the highest share, that Chinese registrar in Phase 2.

KAILI KAN: Right. And this is the case for [by] new gTLD, what about if regardless of new or legacy, what does it look like?

GREG RAFERT: That's a good question, and if it's okay to take 30 seconds I can find it pretty quickly I think. I think I found it. So if you look at it by all registrations, they do now appear in the top 15 but it looks like they're something like the eighth or ninth registrar based on their overall –

KAILI KAN: Overall. Based on [that] worldwide.

GREG RAFERT: Yes.

KAILI KAN: And the new [g] alone it is another topic to there. Number one or number 15?

GREG RAFERT: By new gTLD? They're the top. They're number one.

KAILI KAN: Number one worldwide. Wow. Okay, thank you.

GREG RAFERT: Of course. So I think we're pretty close. So this is the last slide.

                      One of the other things – I kind of alluded to this earlier – that we were interested in is seeing whether or not there was any change in registration activity when either new gTLDs entered or other types of

gTLDs more generally. So I don't think this first sub-bullet will really surprise anyone in general. We see continued growth in registration activity among new gTLD and legacy TLDs. We have looked pretty carefully to identify whether or not there is any effect of, generally speaking, new gTLD entry looking worldwide on legacy TLD activity, and we see none. Then – and this goes back to the data that we obtained from Domain Tools, the WHOIS data – we did look at Geo TLD entry and so I provide an example here of .nyc entering into the marketplace and looking at registration activity in new gTLDs and legacy TLDs for registrants located in the New York City area. And what we see here is a decline of approximately 47% on average monthly registration activity in new gTLDs and 15% in legacy gTLDs. And although that isn't always seen across every single Geo TLD that we look at in the report, it's a pretty consistent story.

I'll note that this is really a very simple before/after analysis and doesn't control for lots of other things that might be affecting registration activity over time. So one of the things that we're working on finalizing right now is a regression based approach that's designed to control for other factors that affect registration activity. It's not in the report yet but early indications suggest that even once you do a lot of controlling for just general time trends, other economic factors, etc. that when you include those controls you still see, although smaller, somewhat similar effects.

JONATHAN ZUCK: Maybe this is just a simple question, when you say a decrease in the average monthly registrations of for example new gTLDs, .nyc is a new

gTLD so do you mean that registrations for new gTLDs other than .nyc [inaudible]?

GREG RAFERT: That's correct.

JONATHAN ZUCK: Okay.

MEGAN RICHARDS: Do you mind explaining the very last point that you have there and giving us some examples? Because this is an important element for us.

GREG RAFERT: That's the "and finally" point?

MEGAN RICHARDS: Yes.

GREG RAFERT: One of the things that we did in Phase 1 and we continued to do in Phase 2 is we identified specific new gTLDs that might target specific interests. For example, in education you have .college, .academy, there's probably five or six others that I'm forgetting right now. And we looked at, at the time in phase 1 just what were those TLDs, we did some subjective grouping of them and we looked at the shares that each of those TLDs held within a given family.

And then what we did is we look at it in Phase 2. Did any new TLDs come into that family? So for example, was there another education related TLD? And if so, how did that affect the registration shares that were held among TLDs in that group?

And what we saw were I guess two things. One was that there was a lot of entry of these from Phase 1 to Phase 2 of TLDs that fit into these specific families that we had originally defined in Phase 1. And when they [did enter] you saw, at least in some cases, some pretty significant declines in the shares held by TLDs that had previously been in that family. Does that answer your question and generally make sense?

MEGAN RICHARDS: Yes, up to a point. But then you looked at that overall through the whole… Did you just take some specific examples? I'm just thinking of the UK universities for example which use – I've forgotten exactly how it goes – ac.uk.co or .uk ac, I've forgotten exactly the combination but it's not .edu and it's not .academia or academy or whatever it is. So if you looked only in specific areas, which of course is interesting, it doesn't look at the overall worldwide – if there is such a thing – market. So I'm just curious as to how that works.

Of course in one specific sector or one area or one region, that may be very useful and very interesting but can you extrapolate to a broader [inaudible]?

GREG RAFERT: Is one of the things you're asking is whether or not we looked at whether for example when a new education related TLD entered into the marketplace whether we saw changes in registration activity among .edu?

MEGAN RICHARDS: My point is that let's just use the example, you used the example of .nyc for your geo names, but in the case of the academic institutions which you used and you refer to .edu and then .academy or academia, I'm not sure what it's exactly called. My point is that in the UK – in the United Kingdom – the universities are all following a specific set and I've forgotten whether – David may remember is it ac.uk isn't it?

So theoretically, if .academy was now a new gTLD it would be of interest to see whether those universities in the UK or in Germany or wherever they might be have also moved to .academy. Or is it specific to the United States or is it specific to North America or is it specific to a particular area? So the argument is what we want to see is whether legacy gTLDs or ccTLDs or others have lost market share as a result of the new gTLDs.

So if you're looking at a particular segment, it's interesting to look at it from a global point of view.

GREG RAFERT: So the specific segment, so this .education example, we looked at that from a global level.

KAILI KAN: just a little [clarification if I'm] understanding of the last point. So basically you're saying that the new gTLDs you have identified them as competing against the legacy ones? They're drawing away registrants away from the… Is that what you're saying? However I feel that that is in contradiction to the second point above. Here you're saying there is no identifiable effect of new gTLD blah, blah, blah, so this is a second point you are making above that is this [without competing] each other. No indication that they compete but the last point you're saying that [here] they're competing against each other. So I just wonder how [do you] support that? Thank you.

GREG RAFERT: I think that the second sub-bullet could be better stated. I think there we were looking globally whether we saw any effect of a given new gTLD's entry on legacy TLDs, just looking over all registrations occurring all over the globe. And then we dived down in this third sub-bullet being described up there where we look at specific geographical areas and we say, "When .nyc enters into the New York City area, what do you see with respect to registration activity among other new gTLDs and legacy TLDs?" I think the second sub-bullet certainly could have been much clearer.

     And the other thing I'll just note is I think in the report we try and be very agnostic about whether or not competition is actually taking place or there are changes in competition. So I wouldn't necessarily say that this implies competition although it's suggestive at some level.

KAILI KAN: Or you're saying that overall speaking, there's no indication not identifiable but for some specific cases you believe just like .biz competes against .com among the legacies. Okay. There are cases [where they're] competing but there are other cases that it do not compete at all. So overall speaking, there's no indication that they compete but for specific examples they compete. Is that what you're saying?

GREG RAFERT: I think that certainly the evidence is suggestive of competition but once again, I'll shy away from actually saying whether there's competition or not.

KAILI KAN: So some cases compete. Maybe most cases do not compete.

JONATHAN ZUCK: …into the details more so I think in the subteams, but we're going to have to try and draw some conclusions about competition from this is going to be the challenge. Jordyn, go ahead.

JORDYN BUCHANAN: So Greg, it has already been clarified in the .nyc example not including .nyc in the numbers, but do you look at total registrations in –

UNIDENTIFIED MALE: [Inaudible].

JORDYN BUCHANAN: I can or I can talk closer to the mic which will probably be more helpful.

Okay. I just need to work on having a naturally louder voice like Jonathan. He doesn't even need the mic.

In the case of .nyc for example, was there an effect on total registrations in the New York City nyc registration pool? Or was it basically the same number of total registrations before and after but more of them were going to nyc in favor of the other tLDs?

GREG RAFERT: That's a good question and I'm actually not sure of the answer. But it's something that we certainly have the data for and can look at.

JORDYN BUCHANAN: Yeah, that would be great. Hopefully the answer isn't they introduced a Geo TLD and everyone got confused and stopped registering domain names.

DAVID TAYLOR: Just reading through these, I think these two do make sense together where you've got no identifiable effect [to] new gTLD entry or registrations on the registration levels because that's talking about registration level whereas the last one you're talking about a decline in registration shares so it's a share. So obviously if you've got three edus or equivalents and a new kid comes along to the block and has one

registration, the share of the other three have gone down. They can't do anything else but go down. So I think to me it's just a terminology there.

STAN BESEN: Your data show a decline in the proportion of all registrations held by legacy gTLDs. It's like 99% in 2013 and it's 90% in 2016. So there has, if you like, the proportion of total registrations held by legacy gTLDs is 10 percentage points lower in 2016 than in 2013.

GREG RAFERT: That's correct.

STAN BESEN: It's just a fact [inaudible] how you interpret [inaudible].

GREG RAFERT: It's a fact that I don't know if currently makes its way into the report or not but probably should.

STAN BESEN: It'll be in our report.

KAILI KAN: It's down by 7.2% [you mean that's] –

STAN BESEN: No, this is not data here. He has an earlier chart which shows shares in September, 2013, it's like 99.9% and then he has the figure for 2016 which is that 90% and so the share of total registrations held by legacy gTLDs has essentially gone from 100% to 90% over this period.

CARLOS RAUL GUTIERREZ: Just a short comment on the last page when you talk about geographic, I would recommend you use city TLDs so it's not going to be misunderstood – geographic TLDs is a big issue in ICANN we have all kind of troubles with geographic areas like Amazon, [Patagonia] – use of country and territory names and so on.

UNIDENTIFIED FEMALE: [Inaudible]

CARLOS RAUL GUTIERREZ: Yes, but I'm recommending just in terms of style, call it a city TLD.

He's using an example of New York City only. I haven't seen any other example.

GREG RAFERT: You think city.

CARLOS RAUL GUTIERREZ: [City] TLD. Don't use the name geographic. Call it city TLD please.

UNIDENTIFIED FEMALE: [Inaudible].

CARLOS RAUL GUTIERREZ :   No, no, no, no. So we avoid exactly what just happened. Thank you very much.

GREG RAFERT: Thank you for the suggestion. We'll make sure that it makes its way in.

JORDYN BUCHANAN: Some Geo TLDs are cities like [.theruhr] or there's some other regional TLDs as well. I think .africa [inaudible] .asia already exists so we just need to be… We shouldn't call all of them city TLDs because they're not.

GREG RAFERT: I agree. We'll come up with some terminology.

CARLOS RAUL GUTIERREZ: Let's be careful because there is a long list of [trouble] – Szechwan regional, Amazon, Patagonia, three-letter codes, country codes, whatever. Thank you.

GREG RAFERT: I don't know if there are any other questions, but that was at least what we've planned for the high level summary today.

JONATHAN ZUCK: Everyone's very interested in this so we're excited to get the report and in the Competition and Choice Subteam we'll drill into these things in more detail shortly. Alice, did you want to make some announcement about the link that observers should use or something like that or is this something you wanted me to convey and say?

ALICE JANSEN: Just to remind people, there's a dedicated Adobe Connect room for observers, and all the information is available on the meeting program agenda. We have two observers who just tried joining your CCT Review Team Adobe Connect, so I just want to make sure they go to the right place.

JONATHAN ZUCK: Right, I just didn't know what you wanted to do to make sure that happened though. Is it something we need to say?

ALICE JANSEN: Just a reminder not to share your dedicated Review Team Adobe Connect.

JONATHAN ZUCK: So just for everyone in the room, people who are on the Review Team, we have an Adobe Connect link that is just ours. You shouldn't give that to other people. Alright? Okay. So the one to give out to other people is CCT Review – Observers, because they'll just get rejected by staff if you give them ours. Okay? Alright, excellent. Thank you, Greg.

So now we are talking about the Application Evaluation Subteam, such as this. We're not a subteam, we're an uber team of some sort, but one of the things we were going to do was – looking at these questions – does the application evaluation process help prevent TLDs that would be confusing or harmful? And then who are we going to – was that Megan? Reading this question now, and it doesn't feel like the one we asked Megan, but Megan –

MEGAN RICHARDS: [inaudible].

JONATHAN ZUCK: Yes, you started to – let's just have you – you're our guinea pig to some extent, because you're the first person presenting a discussion paper to the full group. So why don't you present the discussion paper that you created, and we will figure out later what question that you answered.

MEGAN RICHARDS: Okay, you'll figure out the question after. Well, that's a good question.

JONATHAN ZUCK: Exactly.

MEGAN RICHARDS: Luckily – oh dear, did I only bring one? Well, I have two questions that I was supposed to answer. One I did with David, so I put David's name on the answer, even though I haven't discussed it with him, and he hasn't

had a chance to see it probably ever. But you're responsible for it now, Dave.

JONATHAN ZUCK: We'll grill David about the –

UNIDENTIFIED MALE: [inaudible].

MEGAN RICHARDS: That's to identify responsibility. So the first question was on how many string contention objections were raised, and in particular, this was general contention objections. They could have been between plural and singular, they could have been because they were existing similar strings that already were in the root zone, etc., and then the question was, "What was the outcome of those contention objections on the new gTLD applications?" And in particular, we looked at the results of singular and plural string contention. So the sub-questions were, "What types of string contentions were raised, and what was the outcome of those contentions, or were they consistent?"

I admit that I did this on the basis of a sampling, because it's impossible to look at every single one. It's not impossible, but you need either a summer student or –

JONATHAN ZUCK: Maybe move the microphone closer to you as well. Everyone move their microphones closer to yourself, because everyone is turning them on and then turning away, and things like that.

MEGAN RICHARDS: Okay. So I looked at a number of different cases, and there were a number of types of string contentions that were possible. First of all, there was string confusion that was claimed as a possibility between singular and plural, and in [entre parentheses], as an aside, I should note that there was GAC advice on this, and I believe also ALAC advice on this, that there were concerns that having singular and plural strings of the same name would create confusion for consumers. And so that was an advice that was clearly identified by the GAC and also by ALAC, suggesting that these not be delegated, both singular and plural, but quite possibly.

Then there were community objections, and that was where there was a substantial opposition from a significant portion of the community that the string was targeting. There were limited public interest objections, and the argument was that the areas that contradicted generally accepted legal norms of morality and public order that are recognized under principles of international law, and then there were legal rights. So there were usually intellectual property-related questions. So I didn't look at the last one, I felt that those are pretty straight forward. If you have a trademark or copyright or some other legal right, you have a perfectly legitimate argument for going ahead and contending the establishment of the string. And I didn't look at

those cases, I thought they were pretty open and shut. But the other three I did look at, and as I said, I looked at a sample of them.

There were 230 exact match contention sets, and this is where the data becomes complicated, because you have a huge mass of numbers of contentions, but many of them are multiples of the same name. For example, just a silly example, I think there were about 10-13 applicants for the same gTLD, and those were for things like .app, .book, .blog, there were a number of them for which many people had applied for the same name. So there was a contention between the different applicants for the same name. That was one series of cases. Those were all resolved, either through prior rights or an auction, or for some reason, those were all established and clarified. But there are a number that are still on hold, and those include things like .gay, .home, .cpa, .llp, .hotel, .llc, .mail, .inc, .corp, etc., and those are for other arguments. Not because of string confusion, obviously, but because there was a community objection or limited public interest objection, etc.

So then, there's still a lot more work to be done here, because some of the contention sets were looked at by the International Center for Dispute Resolution of the American Arbitration Association, and then the other cases were looked at by the International Chamber of Commerce. And just to give an example of the singular versus plural examples, most of those cases said there was confusion between singular and plural of the same name. I shouldn't use an example because I'll make a mistake, probably, but I'm going to make up one: Megan versus Megans. The contention would say that would be confusing to consumers, but there were a number of cases where it was

found that there was no confusion between the plural and the singular, which is quite unusual.

So you couldn't really say that there was consistency in the singular versus plural, and you couldn't either say that the advice from the business community, ALAC and GAC had been applied directly, because it was clear that in those contention sets, one of the panels said there was no confusion, other panels said there was confusion. I've put all this in this little paper identifying the different kinds of dispute resolutions that were assessed, and the kind of… just for example the community objections. In those, the ICC found in favor of the community in 12 of the gTLDs. The objectors failed in 31 of the gTLDs, and the objections were dropped for 19 of the gTLDs. And again, in these cases, there were also multiple contentions for the same string. So the numbers are not necessarily a good indication of what the real impact was, because you have more cases raised for double, triple or quadruple numbers.

Then on the basis of limited public interest, there were objections raised against applications for ten gTLDs, and of those where limited public interest, objections were raised, ICC found in favor of the objector in only one gTLD. And they failed in five, and they were dropped in four cases. And again, as I mentioned, it's because there were more names than – how can I explain this? The same name had multiple objections, let's put it that way.

That's really what I tried to do, and I think it needs now to be looked at in a little bit more detail, perhaps for someone who isn't doing another full time job at the same time, but someone who can dedicate a little bit more time. I have put in the Annexes the results of what I looked at, and

I tried to show where there were multiple objections for the same name, let's put it that way. So you can see where the numbers outweigh the actual result. So that was that one on singular versus plural and other contentions.

UNIDENTIFIED MALE: [inaudible].

MEGAN RICHARDS: Let's start with that, okay. And anyway, it's just as well, because I have to find my other paper.

JORDYN BUCHANAN: So yes, I will first note just in terms of interest that Google I think filed probably the majority of the string confusion objections around singular and plural, so take that into context as I speak now. I do think – one thing I was going to say though that I think is probably worth distinguishing the web/webs case from the other singular/plurals case, because in the case of web/webs, there was one application for webs, and a large number, like ten applications for webs, or something like that. Only one of the applicants for .web submitted a string confusion objection, so that's why the result is – it's not that there were inconsistent results in the case of web/webs, it's that there were inconsistent lodging of objections. So that's, I think, distinct from some of the other cases.

For example, on pet/pets or car/cars, you had multiple cases – for example, Google applied for car, and various other applicants applied

for cars, and we filed objections against all of the applications for cars, because you basically have to, because you don't know which of those is going to prevail, so you want to make sure that they're all in a contention set with you. In some cases, the panelist concluded that that was confusing, and in some cases they did not, despite the fact that it was exactly the string and the exact same set of arguments used to say this is confusing.

So I think there's somewhat of a distinction between a situation where just not all of the – the objection wasn't raised in all cases, versus a case where the objection was raised and you got different results, depending on which panelist it was reviewed by. I'll say the other argument I've heard is that in some cases, the arguments on the defense, people who were saying it wasn't confusing, were different from one panelist to the next as well, and so you might conclude that it's not really that the decisions are inconsistent, as much as the argumentation. I think if you were going to do a really close analysis, you would conclude that at least in some cases, even that statement is not true. It really just hinges on who the panelist was, but that would require close reading of each of the cases to make that determination.

UNIDENTIFIED MALE: This is Carlos, Megan, just another comment: I think there was a similar case between hotels and hoteis, that the parties that applied agreed that there was no confusion, but the panel decided that there was confusion. Thank you.

JORDYN BUCHANAN: So that was a different process, I think. That was ICANN's – so there were two different processes that happened. There was a string similarity review that ICANN performed on all strings, and hotels and hoteis were determined to be confusing through that process. So even though in that case, no one filed an objection, they were still deemed to be confusingly similar. And there's a separate process later on where individual applicants, or holders of incumbent TLDs – so in some cases, VeriSign for example didn't apply – they said this TLD cam is confusing with com, or pet is confusing with net.

So that was a separate type of argument, and that's how you can get to that type of situation that you're talking about, Carlos, where neither of the applicants thought it was confusing, but nonetheless, they're deemed to be confusingly similar, because ICANN made that determination.

MEGAN RICHARDS: Can I just add? I absolutely concur, of course, with Jordyn. Just to clarify, I wasn't looking at the ICANN evaluation for confusability. That was a separate process. I looked at the –

UNIDENTIFIED MALE: [inaudible].

MEGAN RICHARDS: No, mine are not the ICANN, mine are the contentions that went to the ICC or the IDRC, so I didn't look at the – there was already a full assessment that had been done by ICANN during the eligibility review

and during the application. I looked at the next stage, which was the full contention review, but as I said, a lot more work could be done in this. So one thing would be to look also at the ICANN review initially, and then to compare, again, the results afterwards in the full contention cases.

DAVID TAYLOR: Just to complete that point, I think there's an interesting point for us to take out of that, that when this original string similarity was carried out by an independent panel instructed by ICANN, they only came back with two, and that is the issue of hoteis was one of them, and unicom/unicorn was the other one. And that surprised pretty much everybody across the industry, and from that, we've then gone on to the string confusion, so it's left the objections, and then we got the issue that there may or may not have been as in agreement as they could have been. But I think that's something certainly for us to be looking at and considering for the future, as to whether or not to be saying what process should be carried out, should it be left to the end again, what can be learned from that, but also, can you go back?

I made the point just because I'm very highlighted in this thing, so happy to do some of this with Megan. The one which you didn't do – which his perfect – with legal rights objections, there were five, of which two – so five were successful, and only five were successful, and I can certainly complete that, because we filed two of them, for full disclosure on that side. And then there are a couple of others there, which aren't listed, which are still ongoing. Again, disclosure because I'm involved in those.

JORDYN BUCHANAN: I just want to make one last point about the ICANN string similarity process. The reason – like David gave the example, the two – not the example, the canonical list of the places where ICANN found confusion, which were only two intersections, and I think that's because ICANN limited the review to visual similarity. So in the case of plurals, we would be talking about semantic conclusion probably, as opposed to visual confusion. So I guess one of the questions that would be totally valid for us to ask is, should that ICANN review encompass topics other than just the visual similarity? Which would get probably at this question.

MEGAN RICHARDS: To jump in again, just to complete – to understand the full impact of this, it wasn't just confusability, it was also the probability of confusability. And here, I have to disclose my own interest. For more than six years, we have been trying to get .eu in Greek delegated, which, for some reason, a group of 20 American undergraduates think is confusing to see .eu written in Greek, in uppercase letters, even though the whole string would be written in Greek, and the .EU in uppercase letters is written – it looks like EY, which doesn't exist. So it's not just the possibility of confusion that's supposed to be looked at, it's also the probability of confusion, and that's absolutely clear in the Applicant Guidebook, and in all the contention reviews that were carried out. It's absolutely not just possibility, it's probability, and I think that's a very important factor to be looked at when we look at these cases in more detail.

JONATHAN ZUCK: I guess what I'd like to do is then take a step back from the [inaudible] you were able to do, to determine whether or not – you said you did a sampling, right? So the question is – sampling is its own art form in some measures – do we believe that there's enough there to make definitive statements about the level of inconsistency in the panel results, or will that still feel anecdotal from sampling you did? I guess taking this as our guinea pig, do we have enough here to make findings and recommendations with respect to this process, or do we need to engage an undergraduate or whatever to go through and come up with a more quantitative answer about this, a less anecdotal one?

That's not really just directed to you, that's directed to the group. Because this is sort of our little case study here at this point, in terms of whether or not there's enough here that we could start building a narrative for that, or does it just suggest the need to go and look at them in greater detail?

MEGAN RICHARDS: One of the reasons I didn't start with recommendations – although I could have, probably – is partly because of this question, that, "Do we need to go into more details and look at this in the full blossom and full vision of every single case?" I think the samples I looked at or the cases I looked at gave a pretty good view that they're not consistent, which doesn't mean that it's a gross inconsistency, not at all. And I think even from that, one could identify ways in which the process could be improved in the future, for sure. I think we could identify already some

better processes for the future, that's no question, but really, it's up to you to decide whether we should have a full blown – and quite frankly, I don't think it would take too much time. I mean, if there was a graduate student or someone who has a bit more time to do it, and some of it has already been done by [inaudible] has looked at this in some detail, but I think it's not sufficiently robust to come to the kind of full conclusion. But I think we could still identify recommendations, even on the basis of the sampling.

JONATHAN ZUCK: I'll pass it to Fabro, and it sounds like Eleeza wants speak too, I'm not sure, but I guess we have to think of these things in two forms. One is, are we happy with the level of rigor necessary to draw the conclusions we're drawing and making the recommendations that we're making and do we have enough in order to provide a recommended measure of success for the recommendation? In other words, what would we be asking a future Review Team to look at, to see whether or not the recommendation was successful in addressing the problem? So absent an underlying statistic, it's difficult to have a delta, and so that's one of the questions that we need to ask ourselves, is whether or not we constructed the recommendation in such a way that it can be checked for its success in a less abstract way than has been the history of the organization.

And then I guess the final thing is an immunity from scrutiny. In other words, if somebody went back and did the work, would it come back and look like we had picked and chose the most extreme examples, and that if you looked at the total, it was really more consistent than

inconsistent in terms of the results? I guess those are the three things that I want us to think about in terms of this example and then apply it to all of the examples we have going forward. Fabro, go ahead.

FABRO STEIBEL: Well, I would like to support Megan's idea to scrutinize and make recommendations on that. I think she put two arguments that are good, that it be scrutinized from probability and for possibility. I think this should be part of the process and should be a clear method to advocate on that.

So hotel and hotei for example, it's applicable to Latin language, potentially, but not to the other language. Car and cars might be different meanings, but the two [types] are important: the possibility and probability, and I think there's a considerable number of cases where it's applicable. And in terms of principle, it matters as well, because this might add up later when we do the surveys.

JONATHAN ZUCK: Those feel like conclusions already, and I'm trying to ask a process question I want to make sure we don't lose sight of, but thank you.

LAUREEN KAPIN: And also, Carlton, is that a standing question that you have?

CARLTON SAMUELS: No.

LAUREEN KAPIN: Okay, I just wanted to make sure we weren't skipping over you. In terms of process, I think I really appreciate Megan taking the first dive into this by looking at these key comparisons. I think for the purposes of the review, it would be well worth our effort – as you suggest, Megan – to have someone look at this in a comprehensive way, since it's not such a huge universe in the first place, but it would be for an individual to do. But it wouldn't be such a big deal for us to get an additional resource to look at it more comprehensively so we're not accused of cherry picking and therefore, our recommendations might not be as weighty as they might be. So I would be in favor of having someone take a look at this more comprehensively so that our data is complete rather than just sampled.

JONATHAN ZUCK: Thanks, Laureen. I guess part of what that gets back to then, Megan, in terms of your role here, is trying to boil this down to a more measurable type of question, so in other words, something along the lines of what percentage of contentions with the same set of facts led to different results or something like that across panels. If you can express these sub-questions in a more quantitative way, I think we can then go back to Eleeza potentially – she's looking at me over her glasses – but one of those things that I'm looking at, but that if we're going to try to get this help, let's try to figure out the kinds of questions, based on that sampling that you've done, can you rephrase these questions in a quantitative way so that we're asking an intern or whomever Eleeza

might have to throw at it to try and get those answers in a more comprehensive way? Does that make sense?

LAUREEN KAPIN: Yes, it makes sense. I'll tell you what… Do we have a subgroup to talk about this?

JONATHAN ZUCK: This is it.

LAUREEN KAPIN: This is it, yes. Okay, I'll tell you what, I'll have a look at some slight adjustments to the sub-questions and circulate them around, and you look at them, because I'm sure others have much better ideas and questions than I do as well. So we'll do [inaudible] shall we say. The more minds we put together, the better the result.

JONATHAN ZUCK: That's right. While I'll take a look at them, I guess the key transition is to go from questions that are answered yes or no, to questions that are answered with percentages, basically, that are answered numerically. David?

MARGIE MILAM: This is Margie, yes, I think one of the things when we come to make a request of staff – we do have an intern who could work on this – is really understand whether you're asking us to do a qualitative work or

just merely data? Because the analysis part is essentially the Review Team's role, and I know you guys have been sensitive – and rightly so – so let's stash it and be trying to do some of that. And so as we go through the next two days and identify additional kinds of work that needs to be done, let's kind of keep that in mind, the stuff you're asking of staff should be more data-driven and fact-based versus some sort of qualitative judgment as to whether it was good or bad or that sort of thing.

JONATHAN ZUCK: Thanks, Margie, and I think that it's good for us all to keep that in mind, that as we go back to staff, it is more about data. So I think what Megan has brought to the surface is a methodology. I think it's a way to think about it that we can hopefully hand off to someone to then look for similar sets of circumstances that we can then make a more quantitative statement about. So it is about – this particular case at least is about data and how to look for the data is sort of what Megan did in an anecdotal way. David?

DAVID TAYLOR: Because we're looking at data and because I know staff have other things to do as well, I just wondered, should we not enquire of each of the providers? Because they've got the data, they've seen it. I'm fairly sure WIPO have already expressed their view on the legal rights objections with the ICDR and the ICC. They must have provided some sort of report at the end of the process, because they're a provider for

ELEEZA AGOPIAN: I really appreciate this session and I appreciate what you brought up. I think the challenge I have – and I think your request we're happy to take it on and we have a research analyst who can work on this, but your questions have to be very precise because we will be making a quantitative judgment about a qualitative data source, which is pretty difficult to do, so there's quite a bit of subjectivity in that. So I would just ask you to be very precise in what you are requesting.

And to your point, David, I'm going to share this on the chat now, but all the ICDR decisions are available on our webpage with the full decision is available, so you can go through and look at them.

DAVID TAYLOR: I know the decisions are there, I'm saying as a provider, the ICDR must have reviewed the decisions which have done and seen as being discrepancies and had some sort of report. Because I know WIPO had done that for the legal rights objections. So they've looked at the data, and they'll have that, "Oh, look, here are the decisions which seem to have a discrepancy," and maybe they'll have the reasons. And if not, we can dig into the reasons, but I'm just thinking a lot of the work might already be done.

Well, for each of them, yes. I mean the ICDR for the string confusion, and the community is the ICC in Paris, so again, at the end of carrying

out something like this, where the fees are $100,000 or more per case, there must be some review of that internally. Maybe a document we can't have, but there may be parts of it we can have.

JONATHAN ZUCK: Do you know the answer to that, Eleeza, whether that document exists?

ELEEZA AGOPIAN: I'm looking right now.

JONATHAN ZUCK: Okay.

ELEEZA AGOPIAN: Not on the ICDR, if that's what you're saying. That's where I'm looking.

JONATHAN ZUCK: So we have it as to-do then, I guess, to try and identify whether those summary reports ever got generated by the arbitrating organizations. But regardless of that, we're still going to try to define – as specific as we can – quantitative questions to ask of them and then we'll see later whether or not they're answered by these studies, or whether we need to get help to answer them. David, go ahead.

DAVID TAYLOR: I was going to say I think that sort of thing they probably haven't published it or they may have published. I think WIPO have published

something. So whether the ICC and the ICDR have done the same, I don't know, but it's something which I thought we could apply to them as the Review Team saying, "We're reviewing, so we would like you to provide us with this." Subject to confidentiality, etc., there may be parts of it which they'll be, "We can't provide this," but if they've done a report, they would have done an analysis, so they would have looked at the data, so there'll be a set of data that they've looked at. So we could – even if we were just got given the data and told, "Go make your own conclusions," that would actually work quite well for us, so we don't necessarily need to have their discussion and their concerns, and "This was the reason or that," if they don't want to give it to us. So I think there's a way of getting at that, but we need to specifically ask for it, I think.

ELEEZA AGOPIAN: Sorry, specifically asked for what? I didn't catch [inaudible].

DAVID TAYLOR: To write to the ICDR requesting and asking if they have prepared a report reviewing the decisions which have been carried out on the new gTLD process by them. If they have, could we have a copy of it? If it's confidential, are there parts of it we can have a copy of, and do they have a summary of the data which they used for this?

JONATHAN ZUCK: I'd be very interested to see whether a report like that would actually highlight inconsistency in panel results. That may require different

methodology of looking at the data than they're likely to use. Laureen, go ahead.

LAUREEN KAPIN: Yes, just taking a step back just so we're all mindful of the big picture here. I know we have these high-level questions about string contention objections and the result of them, but there's probably a higher level question beyond that, and I wanted to see if we can have a reminder about the identity of that question. I assume this is driven by a concern about the potential for confusion between singular and plural in the first instance and then a concern about whether the procedures were adequate to address the potential for confusion. And I just want to make sure that we're keeping that big picture in mind as we're funneling down here, because I found – Megan is right on top of things here – I found Megan's paper extraordinarily useful in pointing out that there are these inconsistencies, but where I struggle – and it's not a question of Megan's paper, I think it's a question of the data itself, because Megan really pinpointed the issue. What I'm struggling with is, okay, so there was this concern and there were these procedures. Whether they addressed the concern or not, that's separate and part of our analysis. But then the causality is what I'm struggling with here.

JONATHAN ZUCK: I think those are both good questions, Laureen, and I think Megan sort of misinterpreted what the high-level question was, because high-level question was the question that got asked in LA. The highest level question about whether did we prevent – was the application

evaluation process successful in preventing confusion, right? So it's a higher level question than what you have here, which already presupposes the sub-questions you were answering, right?

So that's part of it, and I think so is that progression that you're talking about, Laureen, which is, "Can we find our way back to an answer to that high-level question as a result of looking at these things?" And causation is certainly part of that.

One of the difficulties is going to be understanding the facts of whether or not hotel and hotels are confusion is different than whether there was inconsistent finding by panels about whether they were confusing or not, and we didn't ask that in our consumer survey necessarily about string confusion. What we can do is say that there have been a number of groups that expressed concern about it and asserted that they were confusing, and that the process by determining it was inconsistent, so we can certainly suggest a more consistent process or more consistent criteria.

MEGAN RICHARDS: If I can just add to that – and this really is to the process as well, of course, that there were a number of layers of assessment of this. One was at the evaluation and application point, and there in my little paper – and this is data that came from ICANN staff very conveniently – you have the list of single and plural strings that were applied for and delegated, and you can see there are clear – not inconsistencies – but there are many cases where plurals and singulars have been delegated and many other cases where they've not been delegated. So that's just

the first layer. Then, there were the contention cases, which went to the ICDR and the others on the other cases went to the ICC, so there are a couple of different layers

So my question really relates to the process. Was the process adequate? Did the procedures work properly? That's what I'm looking at, and that's why I didn't start to write any initial recommendations. Of course, I have my own ideas of what could be good proposals. But I think you're right that we need to look more at quantitative factors and exact numbers and that's something that the ICANN staff could very usefully do. But I've already rewritten the questions and sub-questions, so we'll talk about that.

JONATHAN ZUCK: So circulate those, I guess Megan, and we'll look at… I guess as a general rule, as we're looking at this work sheet generally, what we're trying to do with this high-level question is go back to the top-line question that got asked in Los Angeles in our initial meeting. That's what we mean by high-level questions, just so that everybody is clear and we're using the same vocabulary. So for each one of these, for Application Evaluation, for Consumer Trust and Safeguards and for Competition and Choice, there were something like eight to ten high-level questions, total, for each group. And that's what we mean by high-level question in this worksheet.

So then for each of those, there's a series of sub-questions that we were calling hypotheses before, but to help with understanding and to create less bias in how we're expressing them, there are sub-questions that

we're asking that are feeder questions to the high-level question. And so we wanted each of these worksheets to make sure that we're finding our way back to the high-level question that we agreed that we would ask.

And so I think in this particular case, what Laureen is asking is that identification of inconsistency doesn't necessarily mean that the program was unsuccessful in preventing string confusion. And so we just need to figure out how we're going to percolate up from the sub-questions into the high-level questions. I feel like that's still an open question. I don't know the answer, but I just wanted to clarify the question we're asking. So as you're doing these worksheets or the assignments that you each have, make sure that this high-level question is that highest level question, and you then have a series of smaller questions you're asking within that.

UNIDENTIFIED FEMALE: Can I [inaudible]?

JONATHAN ZUCK: Of course.

UNIDENTIFIED FEMALE: I asked this before, but could someone send us, again, the high-level questions from LA? Because I couldn't find them anywhere, and again, it's because I'm doing three things at once, as usual, and I asked for them again, but I probably got lost in all the other messages. So if I can see what those are again, I can adapt. I've already got a new set of

questions, but I can adapt them according to what was initially mentioned. So I just need that initial referencing.

ELEEZA AGOPIAN: Just going back to one point, I put in the chat, there is a WIPO report on the legal rights objections, so you may want to look at that one.

UNIDENTIFIED FEMALE: [inaudible].

MEGAN RICHARDS: And again, I more or less made the question up, because from what I recalled, and this one was on whether GAC formal advice or GAC early warnings influenced or affected the new gTLD applications. So those sub-questions were on how many GAC early warnings were directly responsible for withdrawn applications, and why? How many GAC early warnings were directly responsible for applications being put on hold, and why? And I added that because – well, you'll see from the paper, and then, did GAC early warnings result in the inclusion of PICS? Which are public interest commitments. Exactly, thank you, David. I didn't put David's name on here, actually. And if so, how many cases? Did formal GAC advice result in the inclusion of PICS, and then how many cases? Did any GAC advice or GAC early warning result in other changes to new gTLD applications? And then whether or not that advice stopped the delegation of gTLDs, and if so, which one?

Again, I didn't look at every single case, but I looked at a very large number, and I would say that it's very difficult to say that GAC early

warning advice was directly responsible for withdrawn applications. It would be very hard to say that as a result of the information, but it's clear that it was instrumental in a limited number of withdrawals of applications, and those were only related to geographic names. And also, it was very much responsible for the introduction of Public Interest Commitments, which, as I mentioned before, in many cases were also recommended by ALAC and in some cases by the business community as well.

The Public Interest Commitments were related specifically to cases regarding consumer protection or applicable law, or where the general GAC advice had asked for introduction of PICS and those were for highly regulated sectors, for example. And then I just went through the numbers of cases where applications were withdrawn, and again, because of the multiple applications for the same strings, you have the sort of explosion of numbers which doesn't really reflect the reality. So there were 575 applications that were withdrawn, but 182 applications received GAC early warning advice. Of those, 84 were delegated and 64 were withdrawn, but again, a majority of withdrawn cases were multiples of the same string.

So you have to look at those numbers with some – you have to pay some attention to the content, rather than the quantity. And as I said, most substantial withdrawals related to conflicts on geographic names, so two were for Hangzhou in Chinese script, one was .roma and one was .zulu. On .zulu as well, the panel said that this wasn't a geographic name, but it was still withdrawn. Aside from that, almost all withdrawals where there was GAC early warning advice related primarily to multiple

applications for the same name, not to the GAC early warning advice specifically.

Then I looked at a number of cases. I can just give you an example of a number of applications that were for .gmbh, which has a particular connotation in German-speaking context. It's like .ltd, or limited liability corporation in U.S. And in order to use GmbH at the end of your company name, you have to fill a certain number of requirements, you have to have legal provisions, etc. So the early warning advice that came from at least one, perhaps more, German-speaking GAC members was that they had no problem with the string itself, but they wanted to make sure that anyone to whom that string was allocated would make sure that the registrants met the legal requirements of GmbH.

So in fact, there were five or six cases that were raised for .gmbh, five contention cases. One was delegated, and they introduced the PIC, which was to make sure that the registrants applied the proper legal provisions. And in fact, it was a U.S. company that actually got the legal delegation. It had nothing to do with limiting it to territorial provisions or whatever else it might have been. It was to make sure that the consumers knew that when they were looking at GmbH, it really was a GmbH.

So it's clear that the GAC early warning advice did have an impact in some cases. It certainly didn't result in the withdrawal specifically of any cases, and it didn't specifically stop any cases, but we have still a couple of cases like .halal and .islam where one of the GAC members raised a case. There was concern about the geographic application of .halal and .islam because there are many Islamic users, let's say, or Muslim users

who might use that, and they wanted to make sure it wasn't limited to certain territories.

Those two have still been on hold, and nothing seems to have happened, but it would be hard to say that the GAC early warning was stopping that. It's certainly on hold and there are certainly discussions still going on, and again, I think we were just asked the other day about what happened in that specific case in the GAC.

There's also the case of .wine and [inaudible] which David knows intimately, even more than I do, where there was GAC early warning advice, and there was concern about consumer protection and also wine producers' protection in that case. And again, it went through a whole series of discussions and a number of PICS were introduced. There was a negotiation of how to manage them, and they were ultimately delegated.

So I think the simple answer, if we have a simple question, is did GAC formal advice stop new gTLD applications? The answer is no, it didn't stop them. Did it influence them? In some cases, it did by adding PICS, by limiting geographic area names, etc., and for all sorts of perfectly legitimate public policy reasons. So that's the simple answers.

JONATHAN ZUCK: I'll go to you, Carlton, in just a second. This is a perfect example, because the high-level question was actually whether or not the application evaluation process provided for an effective means for GAC participation. That was the high-level question, and so that begged some questions within this because whether or not GAC advice stops

isn't a normative question. If it stopped a whole bunch of them, it would still be potentially okay. The high-level question that we asked in Los Angeles was whether or not the application evaluation process created effective mechanisms – whether there were effective mechanisms for government participation.

So the arguments that were floating around were that the GAC wasn't able to participate early enough. It's a process question about whether or not the application evaluation process was architected in such a way to maximize or facilitate governmental GAC participation and recommendations. And so that's the question we need to try to answer is, "Are there changes to the process itself to make GAC participation more effective?" And that's the high-level question. So again, we'll have to get to how we percolate up from this in a more normative way than just, "It affected some, it didn't affect others," because that doesn't suggest whether or not the process itself was the right one for GAC participation in the application evaluation. I think that's what we have to get to, according to the high-level question we asked ourselves. Does that make sense?

MEGAN RICHARDS: Yes, it makes perfect sense. I was just based on the questions that had been floating around over the –

JONATHAN ZUCK: Sure.

MEGAN RICHARDS:	So it's always to go back to first principles, but I didn't have access to them, that's the problem. So I'm happy to answer different questions.
JONATHAN ZUCK:	Carlos, and then Stan.
CARLOS RAUL GUTIERREZ:	Yes, just to comment, when I read your paper, I think early warning was a timely injunction for people to save their money. It was not meant to be a substantial procedure, and as far as I remember, Patagonia for example pulled out and got the money back. So the early warning was a temporary measure to help people make a decision before the money was gone. There was a timetable, you can recuperate 100% up to that date and then there was 80%, and then 60%, and then 20%. And the way I recall, the pressure for the early warning was in terms to react to this declining schedule of saving the money, so it was really as a temporary measure while there was no time limit for the advice, which was like the hammer at the very end. I just wanted to comment that. Thank you.
STAN BESEN:	I'm sort of a bystander to this, but I listened to the conversation, and it sounds to me like there are very different kinds of questions floating around. The one that Jonathan just described is one that we can't delegate. It's a question of how the committee thinks about looking at all the data. Can we reach a judgment of that, how well the process worked? That's something – it simply seems to be non-delegable.

[inaudible] your questions and the question that arose there was, "Are the questions that you answered sufficiently objective that if we turn those questions over to somebody else, would they answer the questions the same way that you did?"

I couldn't tell. Some sounded as if they were, and it gets to this question of how much we can delegate. Those are sort of questions we could have given a third party and if we defined the questions sufficiently precisely, could they have answered them and would they have had the same answers that you do? And so these things are at very different levels. And I listened to it, I don't know enough about the – a lot of this is [inside] baseball to me, so I don't really know the ins and outs. But I listened to the process and it sounds to me like Jonathan has questions that the community has to answer itself.

Your questions are ones that, in principle, could be delegated, but I'm not sure that's right. I sort of don't have a good feeling about whether you're the only set of answers or had we given to a third party, would they have come up with the same answers that you did?

JONATHAN ZUCK: Thanks, Stan. I think that's a good point. In some ways, the questions that Megan was trying to answer were factual in nature and the high-level question that we're trying to percolate up to is more interpretive in nature and less factual. And so the idea is, can a series of factual questions allow us to make interpretive conclusions? I guess is where we're from. In other words, can we, from the fact – and you're asking a separate question is, did we make Megan work on something that could

have been delegated to someone else to look at factually? And that's a legitimate question and we're already looking at it for the other paper that's dissecting the factual components of a sub-question. If it gets to be overwhelming, we need to have a process for trying to take us out of a data collection mode potentially that's so time-consuming. But the other question that still remains is, giving the answers to those questions, do they help us to answer the more interpretive question about whether or not GAC participation was effective?

STAN BESEN: Or answered it better that if we didn't have the facts.

JONATHAN ZUCK: Can we answer the question better than if we didn't have the facts?

STAN BESEN: Yes. We have these facts. We're better able now to answer the high-level questions than if we didn't have the facts.

JONATHAN ZUCK: Right. And we hope that's the case, exactly.

STAN BESEN: Yes.

MEGAN RICHARDS: To clarify, if you don't mind, I didn't make up these questions out of the blue. I think we discussed on our plenary discussion –

JONATHAN ZUCK: No, yes.

MEGAN RICHARDS: So just to clarify, I couldn't find – as I said, the very high-level LA questions – so I was basing these on our 6th of July plenary discussion. And I think I was as subjective as I could possibly be in answering them because I didn't make up the answers, I didn't make up the data.

JONATHAN ZUCK: No, you –

MEGAN RICHARDS: No?

JONATHAN ZUCK: No, you were. Okay, sorry, let me – we're going down the wrong path here, I think. The question I guess, Megan, is the next question based on these facts is, "So what?" In other words, the answers you've given here, why do we care about those answers?

MEGAN RICHARDS: And that's exactly why I said I didn't already, at this stage, put in recommendations.

JONATHAN ZUCK: It's not a question of recommendations, forget about recommendations.

MEGAN RICHARDS: No, I know, or conclusions that we draw. The whole issue relates to the process. Is it too early, is it too late? Is it effective, does it work? What was the implication, and how did it impact? That's what we're looking at.

JONATHAN ZUCK: Agreed.

MEGAN RICHARDS: And that's what I think this gives us some idea of some of the impact. Perhaps not as full or perfect as one would like, and again, it goes to your idea of the process, the steps.

JONATHAN ZUCK: It does. And so we don't know the answer yet, but I guess my question will be – and I'm not trying to put this all on you, Megan, this is meant to be kind of a brainstorming session about how to use this data. In other words, if our overall question is whether or not GAC participation was effective, the answer could be yes, and it could have led to no changes to any applications, or it could have led to change to absolutely every application, and the answer to the high-level question could still

be yes or still be no. So the question then becomes, how do we take the data that you've begun to collect, and make a normative assessment about it in terms of whether or not it represents and effectiveness on the part of GAC participation. How do we get from these low-level questions to the high-level questions?

Laureen, go ahead.

LAUREEN KAPIN: Just a quick observation: the high-level question you identified before was a little different. It wasn't whether GAC participation was effective, it was, was there an effective means for GAC participation? Those are very different questions.

UNIDENTIFIED FEMALE: [inaudible].

LAUREEN KAPIN: Yes, exactly, so I just want to make sure there's clarity on that because very different questions.

JONATHAN ZUCK: [inaudible].

LAUREEN KAPIN: And then a sub-question might be – right, a sub-question might be then yes or no. If it's yes, then you would have as a sub-question, "Okay,

there was an effective means, but was it in fact effective? Did they participate effectively?"

JONATHAN ZUCK: Yes, so the means of outcome. I guess my point is I'm not sure the outcomes are as relevant as the means. So what we have are outcomes, and so the question then becomes, "Would a different method of GAC participation have led to different results?" That's what's more important than what the breakdown of results was here. That's what I'm trying to get at.

WAUDO SIGANGA: My interpretation from what I'm hearing is what Megan has said, if I take it like examples of what the GAC was doing, that means that there was a methodology of facilitation for the GAC to participate. So I take those as examples. So that answers the top-level question that you asked first.

CARLTON SAMUELS: I'm listening to the argy-bargy and I'm thinking, what we're asking seems to me – shorn of all of the talk is – is GAC participation too much or too little? Because I don't think we can actually – how do we measure GAC participation? GAC has a role, it comes up, it has early warning, and this early warning thing Carlos spoke about is very important, because it was intended to have a chilling effect. That was [inaudible] devised, and so – look, they're politicians. You have to understand this. The way they went about it was that they wanted a certain outcome, they operate

within a certain context. You know, they have to have consensus to everybody to say, "Go ahead with something" and so on. The way they operate, they've got rules that GAC operates on. There's a certain opacity to it. I don't know if we can actually measure that. I really am getting –

JONATHAN ZUCK: I don't think we should measure it. Remember the question – and Laureen put it out explicitly, "Was there effective means for GAC participation in the application evaluation process?" And this is part of why we were – and this is not an, "I told you so moment" – this is part of why we were talking about hypotheses, right? Because one hypothesis is that their advice came too late, and there are people who have made that claim. So the question then becomes, is there anything that would have been different, had it been earlier? That's the thing about process, right? So those things have been thrown out there by the community as criticisms not of the substance of their advice, but of the process by which they engaged during the application evaluation. That is what we've been tasked with looking at, is was that process – did they have an effective means to participate, and should we suggest changes to the way the GAC participates in the application evaluation process? Which is different than how they make decisions about when to engage or what their substantive choices are.

So one hypothesis is that it led to a bunch of – is that GAC advice led to confusion among applicants and led to a lot of changes at the last minute to their applications? So to some extent, Megan's research tests that hypothesis by saying, "Well, no, it didn't lead to that many last

minute changes," for example. That is one of the hypotheses that have been thrown out there. So the question is, are there changes to the process that we need to recommend? And not in any way try to judge the actual decisions that they made on substance.

UNIDENTIFIED MALE: But I'm asserting that the way it came out is vested in the way the GAC works. I don't think – let's get back to this wine/win controversy. What was that about? There was a certain set of GAC members who believed – and were strongly of the view – that you shouldn't have delegations because of who it was coming from. No? That was not it. Okay.

MEGAN RICHARDS: Can I just go back to the origin? And I think here, the ICANN staff can help us a lot. One of the arguments that both Carlton and Carlos rightly mentioned is that the GAC early warning was intended to be a cost-saving mechanism. So ICANN staff could clearly look for us at the number of cases where GAC early warning advice was entered, the application was withdrawn and the applicants saved money. That's a purely numerical calculation that someone in ICANN must have access to. I have no idea what it is and I'm not about to go checking for it, but someone in ICANN could easily give us that data. That's raw, pure, black and white data. And that would give us a clear indication of how much money was saved from how many applicants because GAC early warning says, for example, this is a geographic name and you can't do it or this has a particular problem, etc.

So that's one aspect, and I think we should ask that. That will help us also with the process answer because that will show us, should it be done even earlier? Will people save even more money as a result, etc? So that's one thing.

The other relates to the kind of advice. That's a different issue, and that's what I was looking at more. What was the issue raised? Why was the early warning given? What were the public policy reasons for it? I gave you the case of .gmbh. In the case of .wine – well, now Carlton's gone, but I'll tell him later – that wasn't to stop .wine/[inaudible] per se. It was to make sure that consumers and wine producers were protected in the event that such names were delegated. That's what it was all about. And David can tell you inside and out all of the issues.

It's not just the Europeans, either, excuse me. The Argentineans, all the world's wine producers participated. The American wine producers are in there as well. So that was really a pure public policy, public interest issue that was raised, and it didn't stop the delegation. Both those names were delegated. It took a little bit of time and some negotiation, but that's a different nature of question that was raised. But I think the first one is something that we could look at and give some pure quantitative –

JONATHAN ZUCK: Carlos?

CARLOS RAUL GUTIERREZ: I don't want to jump into this discussion, but I want for you to record that we need some quality time to discuss this issue of the GAC so it doesn't remain as open as it is right now. I have a few things I would like to say, which will take us off course.

JONATHAN ZUCK: I know. No need to worry about it. Everybody has things they want to say.

CARLOS RAUL GUTIERREZ: Then let me say something only to you. There is a difference between "They had the effective means" to "The recommendations they gave were effective." I'm sure they have effective means, because they participated and they brought in the safeguards and the public interest comments and so on, but does that present a plus or a minus? Or will that represent a problem in the future because the way they presented them in some cases goes against the bottom-up policy development process? If you have tension between the GNSO process and the GAC process? It probably is out of scope for our work, but it would be good to have some clarity there. Thank you.

WAUDO SIGANGA: You mentioned that there were complaints about some instances when the GAC advice came late. What example is there?

JONATHAN ZUCK: I'm just trying to get to – someone in Los Angeles at our first meeting wrote up on the whiteboard, "Did the application evaluation process provide an effective means for GAC participation?" So that is the question we are tasked with answering, so we need to look at what the sub questions are for answering that question. That's all I'm trying to get back to. So I don't have a specific answer to cite, I just heard in the ether people complain about the GAC's participation. And the question is, to what narrow extent can we focus on the process by which they participated as something that we could make recommendations for improvement? That's where we are.

I don't think we can get into everything that Carlos is talking about here, talking about how GAC makes decisions or when, etc. It's more about whether or not there are recommendations we can make to improve the application evaluation process such that GAC participation – the process by which the GAC participates is better. That's all we have the remits to try and look at.

WAUDO SIGANGA: I think we still need specific examples.

JONATHAN ZUCK: I agree completely, that's why we're going through this. You can't just ask the room, you need to say – if you have a hypothesis about this, we need to research it and suggest it. I can put out there, "I think that they had an effective means of participation," and we can just say, "Yes," and not explain why we're saying yes, or we can make it a research project to try and make that case. The purpose is not to have everybody shoot

down everybody else's work, the purpose is to get everyone to posit a hypothesis and then support it with evidence. That's the key, that's what we need to do in this room and in this group.

MEGAN RICHARDS: Just one purely factual aspect and that is that the GAC early warning was not consensus advice from the whole GAC. That would have taken forever. I'm not supposed to say, that, of course. You didn't hear that from me. It was from individual countries or specific group of countries. For example, I told you the .gmbh case.

UNIDENTIFIED MALE: [inaudible].

MEGAN RICHARDS: Because – but I explained to you – no.

UNIDENTIFIED MALE: [inaudible].

MEGAN RICHARDS: No. Excuse me. I gave you the case of .gmbh. .gmbh was, if I'm not mistaken – it was certainly Germany, but if I'm not mistaken, Switzerland and Austria joined in as well to say, "We don't care who .gmbh goes to, but we're telling you whoever gets .gmbh must make sure that any registrant follows our legal provisions in German-speaking territories for what a real GmbH is." That seems to me a perfectly logical

and sensible thing. It didn't stop the delegation, it didn't have a particular influence on who won the string, it was given – as I said – to an American company at the end of the day. Fine, they didn't care who it went to. They said, "Let the process go forward, but you have to make sure that whoever the registrants are, they follow." That's just one example.

And it was either a single country, or in some cases a group of countries. It wasn't consensus GAC advice on everything, so that's what the early warning was. And as you said, Carlton, you unfortunately left the room at the time, but one of the arguments for that early warning was to save the applicants money. So what I proposed was that the ICANN staff give us a list of how many cases were introduced, how many applicants then got their money back, and we should be able to do that, just in terms of quantitative terms. And then you can have a clear case of, "Was it early enough? Did it allow them to save the money? Yes or no." That's another answer to the question. But clearly, GAC had an influence in some cases. Not as much influence as some people like to think it has, but certainly, they gave advice, and there were many cases where there was GAC early warning advice. How influential it was is a different discussion.

JONATHAN ZUCK: Carlton mentioned .patagonia as an example where they just withdrew their application as a result of advice.

UNIDENTIFIED MALE: At that stage.

JONATHAN ZUCK: So Carlton, are you trying to state a hypothesis? I'm trying to understand what your agenda is at this moment. What question are you trying to get answered?

CARLTON SAMUELS: My thing is that if we look at what Megan has written, I doubt we can have any more objective assessment of it to answer that question. That's what I was saying. That's my analysis of [inaudible].

Listen, I went to a lot of those GAC meetings and I only see what's coming out in the room. I was on the ALAC at the time, I was Vice Chair, and I was delegated to go to those meetings, and I saw what was happening in those meetings. And in those meetings, I saw differences of opinion that came out in the discussions. It was from that time I realized that the early warnings were distinctly different from the formal GAC advice process.

I think they had more than enough time to develop. But the GAC advice, the formal advice is only dependent on the process, because they have to get consensus to come up with a formal advice. And I'm not privy to what is happening behind the scenes, but we have people from the Caribbean who were in those meetings and they would tell you that to get consensus, they were having a lot of argy-bargy because there was not a single position to come out. So it took a while for even the formal advice process to work its way through.

That is part of the process. I don't think it could be anything more than that.

MEGAN RICHARDS: Can I [inaudible] a fact? Sorry to come back, and I don't dispute what you're saying, but all GAC meetings are open to everyone. In the past, the GAC communiqué drafting was closed. It's also now open, so anyone can come to any GAC meeting. They're open. If you're a sadomasochist, you're more than welcome to come to any GAC meeting.

JONATHAN ZUCK: No.

MEGAN RICHARDS: And see how the whole process works. But that's a completely different issue.

JONATHAN ZUCK: Right. We don't need to resolve this here.

MEGAN RICHARDS: Exactly, that's a completely different issue.

JONATHAN ZUCK: This is an enormous issue that is outside of our remit, so I just need to reassert to everyone, we are very late in our process in terms of trying

to draft this report, so we've got to stay very focused and narrow in the issues that we raise and why we raise them. The fact that this resulted in Megan defensively talking about the openness of GAC meetings means that we've gone way off course. So the bottom line here is that we've got to look at our high-level question about whether or not the application evaluation process provided an effective means for government participation. That's it, and so we need to look at how we can answer that question.

And so we have an applicant survey that's in the field that's going to address some of those questions. Megan has done some objective research, we might do some additional objective research with respect to savings from early warnings, but let's make sure that we boil this down to a set of questions that once we answer them, we find ourselves in a position of making an interpretive assessment of whether or not improvements to the application evaluation process should be made to better allow for GAC participation.

MARGIE MILAM: One of the concerns I have with the request to staff is, this is just paper number two of I don't know how many topics. We don't have unlimited staff to do this kind of research. Some of this might be nice to have data versus must have data. Some of it might be something you're going to need to prioritize. Like of all the questions we come up in the next two days, which are the ones you really need to answer those questions? Because we can't go and hire multiple interns to do this. We have a very limited amount of staff that has the knowledge and the expertise to be able to do this, so I just want to caution you as you make these

requests, really understand what you're asking of us, what you're going to get from it and whether it actually helps you answer the high-level questions that you want because we're going to come back with, say, 50 requests that need some sort of either outsourcing or internal staff to do and we're going to need prioritization, we're going to need to understand what you're going to do with the data if you get it, and then Eleeza and her staff are going to have to figure out who's going to do it, in what order, and how long it's going to take.

Then you factor that into your timelines, that means it's clearly not happening this meeting, right? When are you going to get to it, the actual discussions of, for example, Megan's ideas of what are possible recommendations to start vetting? That's not this meeting, and it may not be Hyderabad. When will that be? I know this is great information to ask for, but I think you'd have to put that filter on it, because it is going to end up to be a lot of work on staff.

JONATHAN ZUCK: Okay, thank you, Margie. I guess the thing is that I think we're all just struggling with how to get the quantitative results here and we're sussing this out. And so I think we're going to need specific pushback rather than general pushback on that. Because right now, I don't know that we're at the second paper how to prioritize that in the 50 hypothetical questions we've not yet asked. So I appreciate the kind of emotional reaction to this request. I'm going to ask instead that you just absorb them as they come and then let's have that discussion based on how difficult they'll be to do, whether or not you have the resources to

do them, and force prioritization once we actually have a list from which to prioritize. Because right now, we don't have any means to do that.

So I think we're going to end up doing that as a way, as a receptacle of those questions that we feel like we don't have quantitative results for. So Megan, for example, in her efforts realized that there was a quantitative exercise to be done that was way beyond her bandwidth to do and that surfaced as a result of the work that she did, but the work she did was sufficient to maybe suggest what the quantitative question might be and the methodology for doing it, and that's why it resulted in a question. So that's the process we're going through and I don't actually care if this takes a little bit longer in order to get to a result that's worthwhile.

MARGIE MILAM: I just wanted to flag that what we can do –

JONATHAN ZUCK: [inaudible] what we need to do to get the answers.

MARGIE MILAM: Yes, we'll start building on a spreadsheet of the requests as we go through the next two days, so that we get a sense for what the volume is. Maybe I'm wrong, maybe there won't be that many, but I just wanted to –

JONATHAN ZUCK: And if there are, then we can go back and reduce it and prioritize. Because in some instances, there may even be things to point to where the data already exists, like the WIPO report, for example. So that's what will be the assessment we'll need to do.

MARGIE MILAM: Okay.

JONATHAN ZUCK: Alright, Megan, thank you very much for being the guinea pig in this conversation. We're trying to solve things more generally, not just on these questions.

MEGAN RICHARDS: [inaudible].

JONATHAN ZUCK: Well, on that note, it is lunch time, and I think we were supposed to reconvene at 1:15, but we probably won't do that, it being 1:00, so is lunch something that everyone goes to the restaurant to do?

UNIDENTIFIED FEMALE: [inaudible].

JONATHAN ZUCK: So what's realistic then in terms of reconvening? This next thing is the subteams. Who's where? Who's here versus over there?

UNIDENTIFIED FEMALE: So the Competition's in this room and the Safeguards and Trust is next door, in room B.

JONATHAN ZUCK: Okay.

UNIDENTIFIED FEMALE: [inaudible].

JONATHAN ZUCK: What do people feel comfortable doing? Because I know that some of this is going to be I/O breaks, e-mail triage, whatever it is. How much time do you need before reconvening? Is 45 minutes enough?

UNIDENTIFIED MALE: For the lunch?

JONATHAN ZUCK: The lunch.

UNIDENTIFIED MALE: [inaudible] e-mails, and then –

JONATHAN ZUCK: Just lunch, for the entirety before we reconvene is what I'm asking. Alright? Reconvene at 1:45 in your subteam. So Competition and Choice here and Safeguards and Trust over there.

[END OF TRANSCRIPTION]