
JONATHAN ZUCK: Welcome, everybody, back. Is Calvin the only one online, or do we think there will be any new ones?

UNIDENTIFIED FEMALE: We have not picked up any new ones before coming back online. Even as we speak, we don't have Calvin yet but I'm sure we will shortly.

JONATHAN ZUCK: Okay. I know this gentleman requires no introduction, but if you recall we were looking, as part of the application evaluation process we asked ourselves some questions about the degree to which that process was effective in supporting the interests of underserved communities in the less-developed world.

One of the big, glaring pieces of data was that the Global South was underrepresented in the applicant pool. So Jordyn came up with the idea of trying to identify cohorts, if you would, in the Global South to the same types of people that applied and to find those same types of people in the Global South and talk to them.

For that, we engaged a firm in D.C. called AM Global. I said that right. You're messing with me now, [inaudible], and I picked up your coat for you. With connections in the Global South and I'm sure fraught with the same challenges that every other bit of data gathering we've done has been fraught with. But I think without further ado, I'm going to pass the microphone over to Andrew Mack of AM Global.

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ANDREW MACK: Thanks very much, Jonathan. Thanks very much to everybody for being here. I appreciate your forbearance as I try to figure out what time zone I'm in. It has been a really super interesting process to engage in this project. I think we have a lot to show for it and a lot to share and to discuss.

I have what? How long do we have and how would you like to structure this? I'm happy to walk through the findings that we have on the slides to start.

JONATHAN ZUCK: That sounds like the best way to proceed.

ANDREW MACK: Okay, great. Okay, so going to slide number one, I titled the presentation "New gTLDs and the Global South: Understanding Limited Demand and Options Going Forward." Limited demand because, as Jonathan says, though there were quite a number of applications, there were very few from the Global South. When you take out some of the applications from, for example, the Caribbean, which are basically located in the Caribbean but not Caribbean of origin per se, and a few from Asia, you really have almost exclusively a Global North kind of phenomenon.

So part of our goal was to try to understand why that was the case and what it means for us because it's important to understand, if we're going to make a concerted effort to address this in a future round, what

actual data do we have? What do people really think? What would shorten the cycle? What role can we play? To the next slide? Thank you.

Key Questions. Most applications in the last round were from the Global North. We specifically, as discussed with the CCT RT left China out of this because China's market dynamics are fairly different from other parts of Asia. That was a decision I think was a smart one.

I'm getting a little bit of echo now. Okay. It's all good. There's nothing I'm going to say that should shock anybody. The question was, what are we going to do about it. Let's see if we can get to that. Okay, terrific.

There are really two big questions that underlie all of this. Number one is, what factors influenced the decisions of people in the Global South that caused them not to apply? Then number two is, what might ICANN and the broader ICANN community consider doing to increase Global South participation in future rounds?

Both of these are important. The first is, as Jonathan said, it's a bit difficult to try to prove a negative, to say why it is that people didn't take a decision. So we tried as best we could to dive into that process. Then the second one, is what might we do? In this instance, we wanted to be as concrete as possible. If we are going to go forward, what specific things are we're going to do? Let's not make this a rhetorical exercise. Let's really try to create some metrics, try to create a way forward and move it in that direction. Next slide, please.

The Approach. As Jonathan mentioned, to create the framework to test the hypothetical. We started off with the counterparts. What we did is we looked at all of the different kinds of people who had applied in the

Global North – different sectors, different decision makers within different sectors, things along that nature – to try to find equivalents in the Global South to applicants from this most recent round of the Global North.

As you can imagine, one of the biggest challenges was trying to find an equivalent for investor groups which were put together to make investments. I will be honest, that is an almost impossible thing. We did speak with a number of investors and people who advised investors, which was as close as we could get. But as was the case in this most recent round, a number of groups were strung together or pulled together for the specific purpose of looking at making an application. It's [nigh on] impossible to figure out who those might have been, so we tried to use as many analogs and as many different angles into that as possible.

The next thing was we had our list of people [who are] to conduct in-depth, in-language interviews to help build the data and help evaluate and prioritize future actions. The goal here was to try to create not so much of a 1 to 5 survey, although we did a lot of surveying, but really to engage the individuals in conversation. The reason why is because we recognize that, number one, this is a complex task and it's a complex subject matter and it doesn't necessarily lend itself always very easily to just a 1 to 5 response. But also, what we're looking for is we're looking for people's advice. We're looking for them to engage with us, in part because the people that we're talking to are exactly the kind of people who might be interested in a next round. So the questions that they have and the advice that they have could be tremendously valuable to us. We wanted to the greatest extent that we could to engage them in a

conversation, potentially a conversation that might lead them to being advisor, evangelists, or even applicants in a go-forward round.

Then the last one is to make recommendations on the best courses of action, and we'll talk about that in just a bit. Next slide, please.

This is just a quick slide about the Interviewees. Broad sector diversity and organization type and a broad Global South representation but with a very strong footprint in Latin America. We decided to go for broad sector diversity, in part because that's what there was actually in the Global North in this round. There was a fair amount of sector diversity, especially if you take out the groups that might otherwise be considered investor groups, you really had a pretty wide diversity of applicants. We found that very interesting, and we tried very hard to capture some of that dynamism in our interview group.

In terms of why we chose to focus on Latin America, we wanted to have enough critical mass in a particular area – Latin America and Caribbean, Carlton. Not to worry. Well understood the importance. We really wanted to dive in on a region to try to get as much as we could a little bit of critical mass to see if it had certain specific regional dynamics and also to get more than a couple from some key markets in those areas.

We recognize, as the report states, that there were some geographies that were a little underrepresented. India is not on this list, as an example, and Mexico is not on the list. But we did get a number of the key countries, and we were pleased with the responses.

We were originally shooting for 30 in-depth interviews. We ended up with 37 and are still now and again receiving word back from people who are interested in contributing in more detail.

By the way, at any point if you have a question or would like to stop or get a clarification, by all means please?

JONATHAN ZUCK:

I have a quick question. There were two different stages. One was identifying cohorts, and the other was then going out and doing these interviews. Your firm did identify some cohorts in these other regions. You just didn't go to this next step in all those regions because you were trying to get more depth in one of them. But you have cohort lists for these other regions, right?

ANDREW MACK:

That's correct. As the report states, we did a really deep dive on the different cohort lists. I will tell you about some interesting things. The kind of people that we found who were recommended, both by the research and by the experience in the Global North, were very, very difficult to reach. One of the questions that we're going to... If you think about it, it makes sense. The CIO of a major company is not going to be somebody that you can get on the phone, and they will not respond to an e-mail. So what we ended up doing was a mix of some of those.

JONATHAN ZUCK:

Some of the context in the [inaudible].

ANDREW MACK:

They were in many instances the decision makers. At least according to ICANN, those were the ultimate decision makers. What it does is it suggests to us that we remedy that by working through our international network, by working through advisors of some of these major decision makers. But we recognize that as we're going to go forward, and which is one of the recommendations, we're going to need to find ways of reaching the kinds of people who will by definition be too busy to spend a lot of time on this. So we know who they are but in the course of a month and a half, which is about the time that we had to do a lot of the research, it wasn't always possible to reach them.

Frankly, there's the other piece about that which is that, if you think about it, you send a senior executive a survey, the likelihood that they're going to respond to it is zero. If you send them about something – we'll call it ICANN – that they're not that familiar with, that likelihood goes down further. Then if you tell them this is about a potential future something that has no date around it, you're likelihood of getting their quick response is very, very low. So we used our contacts. We used the people that were advisors to some of these groups. We used a lot of different avenues to get in, but I think the quality of the data turned out very nicely. Next slide, please.

Okay, I'm going to actually pull this up on mine because my eyes aren't that good here.

JONATHAN ZUCK: “Incredibly varied base of knowledge. Many had no knowledge of either ICANN or the new gTLD program.”

ANDREW MACK: That’s right. Okay.

UNIDENTIFIED FEMALE: That’s not very varied though.

ANDREW MACK: Well, it is. I will explain exactly what I mean. Okay, so “incredibly varied base of knowledge.” What does that mean? That means that we had an interesting distribution. When we asked people, “What do you know about this? Have you heard about it? How is it working in your mind?” we actually got a really interesting distribution. There were a number of people at the very low end who had never heard of ICANN, had never heard of the program, had absolutely literally zero knowledge.

When we bracketed this into 1, 2, 3, 4, and 5 with 1 being the least and 5 being the most, there were a lot of people in the center. There were a number of people on the one side and a number of people on the other side. What was striking though was that even the people who had what we considered to be fairly good basic knowledge still didn’t feel that they had enough information to be good decision makers. So, yes, it’s good that there was some awareness that a program existed but clearly not enough to cause them to take more action. That was a very significant barrier to entry.

So when I say that there was a varied base of knowledge, it's a varied base of knowledge but I think for most of the responses, even frankly from people who are at a fairly high level and who describe their knowledge as fairly high, still very much felt that they didn't have enough to go forward.

MEGAN RICHARDS:

[May I ask a question?] One of the things – and you'll go into this in more detail, so I don't want to stop you now but maybe you can think about it as we're going along – one of the things that we've been talking about this morning also was assistance on making applications, general assistance and technical assistance. One of the things that you can perhaps tell us – and perhaps you didn't ask this question specifically, but you can give us an idea – would these people have been more likely to go forward if they had had such assistance and would they be willing to pay for it? I don't want to stop you now.

ANDREW MACK:

That's a great question, and it's one that we did take a look at. So we have some specific recommendations around that.

To the second point, a significant number of interviewees felt they had incomplete information or described the information that they had as confusing, dense, or not accessible. One of the big pieces of feedback that we got – yes?

UNIDENTIFIED FEMALE:

Is that "complete" or "incomplete"?

UNIDENTIFIED MALE: Incomplete.

ANDREW MACK: Incomplete.

UNIDENTIFIED FEMALE: Oh, yeah. That we can [inaudible].

ANDREW MACK: Okay, my apologies. I actually saw that I had screwed that up in the cab on the way here. I'm sorry that didn't make it.

UNIDENTIFIED FEMALE: Sorry. We thought we fixed it, but we have an old [inaudible].

ANDREW MACK: Okay, so, yes. The answer is "incomplete."

UNIDENTIFIED FEMALE: Okay.

ANDREW MACK: Okay. Yeah, it makes perfect sense with [incomplete]. They had incomplete information. What they knew, they knew pieces of. Some of the information they had was incorrect. When I was speaking, for

example, with one of the contacts from the Caribbean, we had a long conversation about how much the application process costs. It was really unclear for them what it was. The numbers were degrees of magnitude more than the actual application cost was. So part of this is just about getting information.

We got a lot of feedback from, I can think of at least four or five different interviewees, maybe more, who said that the information was very dense, that you really needed to dive into it very, very extensively. That became a bit of a barrier to entry because a lot of people said, "Yeah, okay. I'm willing to nibble on this, but I'm not going to take the time to become an insider on something I'm just not sure whether or not it fits me in the near term." That was a big pieces.

Lack of timely information was a major concern. Here, I wanted to flag and show appreciation for the work that was done by Vanda Scartezini who helped us on the project. In Latin America, there was a big piece of feedback that we received that a lot of the information they got, they got too late and they got it at a time when Latin America is on vacation. It's an interesting thing. You need to keep in mind the cultural dynamics. If things happen in the summer and people are at the beach or people are doing the Carnival or people are watching the World Cup or whatever it is that they are doing, it is just not going to happen.

We took from that an interesting thing. Number one, timing really does matter, when you get people information. Completeness does matter. The accessibility of the information really does matter. We had this not just in Latin America but especially [inaudible] because it takes time to

absorb, evaluate, socialize, and act on program information. What does that mean?

If you think about it, if you have a diversified group of one sort or another or if you have a group that represents a university or a city or a group that would need a number of levels of approval, you need to have a simple message. You need to get that to your initial person. That initial person then needs to understand it, make the business plan for it, and socialize it up throughout the organization. From the time that the first initial evangelist or the person who really gets the idea and wants to push it forward says, "Yes, okay, this is on my list," to the time when they could get a decision from a senior decision maker could be six months or more.

MEGAN RICHARDS: Sorry, [inaudible].

ANDREW MACK: Not at all.

MEGAN RICHARDS: It's related to this because I was hoping you would mention it – and perhaps we've asked the question already and I should know – the question of languages. Was the information available in all languages? Was language a barrier at all?

ANDREW MACK:

Language came up in, I want to say, at least five different interviews. I think it may have been six. I think half in Asia and half in Latin America. There was a generalized sense that there should be more information in the local language and more of it just around and much, much more in the local press. I'll talk a little bit about trying to sensitize the general public because that was an important piece of what we're looking at. But, yes, local language, extremely important and the ability to do application things in local language. I think more was out there than the audiences realized, but as with anything, if you don't know it's there, you don't get a lot of points for it, unfortunately.

Okay, the last point being that the lack of information was the most significant constraint of interviewees, most often cited as the deciding factor. Lack of information is your gatekeeper. It really is. If you don't feel you have a good enough understanding of what's going on, a good enough understanding of the timelines or the business plans and all of this kind of stuff, you're not going to push it forward within your organization. So a lot of these other follow-through questions which we believe will be important at different points, we didn't even get to them because people said, "I just didn't have enough initial information" or "I didn't have complete enough information."

Questions? Yes, Waudo, please.

WAUDO SIGANGA:

How about the feeling by potential applicants that the whole program might not really be something that's impacting them? Did you get a feel for that?

ANDREW MACK:

I think that's absolutely a true factor. There were a couple of things that happened. One is that there was a whole discussion of business plan, which we'll get to in a second. There was also some, and this is in the report but not so much in the slides, there was some generalized concern that there's a lot of product that's coming out there. For people who knew about it, "There's a lot of product that's coming out there. I'm not entirely sure how well the program as a whole will go, and so will that have an impact on the viability of my investment in a new gTLD?"

For example, if this broadly is seen as successful, that helps my decision making to go forward. If people have not seen a lot of success cases, then that makes them wonder whether this is actually going to be meaningful or whether in fact this is going to be a fad, a thing that doesn't take off. Does that make sense?

WAUDO SIGANGA:

Yeah. I was just thinking of this in terms of usually people make business decisions and all kinds of decisions based on the probability or the perception that something not just can affect them now but it has a potential impact on them. So in terms of new gTLDs, I'm just wondering how the mindset of some of the respondents was.

I mean, if you try to introduce something that they feel that they can do without, it has no potential impact on them, it's like you're in a plane and somebody says you put on your seatbelt. In your mind you think that there could be a potential impact on you in case there's an

emergency, so you put it on. But there's something someone is telling you and you don't see how it really affects yourself right now or in the coming future, particularly in the business sense, then you don't really pay much attention.

ANDREW MACK:

I've got you completely, and I like your seatbelt analogy. A couple of things. First of all, discussion of business plan was, after awareness, the second-most important thing. I think it's the next slide, in fact. The next slide will be [the other] direction perhaps? No? I think we're going back. Let's go forward. Yes, okay. So, Waudo, you're ahead of your time, my friend.

The lack of clarity around business model and business uses for a new gTLD was a crucial, crucial issue. Second only to the lack of broad knowledge, this was the big issue. And, Waudo, it's exactly what you say. The conversations revolved around things like, is this urgent? How will I use it? Is this in my interest? How can I show that this is in my interest? All of those pieces were extremely important.

There was a tremendous amount of concern around that and, frankly, some good advice that was given to ICANN around it because people say, as you rightly said, in the absence of a sense of urgency, if I'm on the plane and I don't have a sense of the value of the seatbelt, I'm not going to put it on, right? Part of that comes around, how am I going to use this? Part of this comes around trying to understand business model and the actual economics of it. Part of it comes around the general

feeling about the program itself, which is what I was mentioning just a second ago.

Going through some of the data, this was a concern of nearly every single interviewee. It was mentioned by almost all of them, 31 out of 37, although it was not always mentioned as the top concern. This was not mentioned as a top concern mostly by people who just didn't feel they had enough information to even think deeply about business plan.

The biggest concern that we got from people is that they were unclear exactly how this is going to fit their existing brand or their existing community. How will it differ from what they already have? There was some significant concern about sensitizing customers and the public at large. Will this just confuse our constituents? Is the market ready? Are our clients going to get this?

What it does is it suggests to two things. Number one is that we need to help people understand the basic business of this a little bit more but also just how important sensitizing the public is part of that business. In the paper, we've got some discussion. Like .swahili, we had a conversation with one of our interviewees in Kenya. He said, "Yeah, this is a great idea to do a .swahili, but I would both have to make the application, launch the thing, and then really make the market. I'd really have to tell people that it was out there, explain it to them."

So a big piece of success that was recommended to us by our Global South interviewees was to think about this in terms of trying to create some sample business models but also to not leave out the general public. It's not just about the applicants themselves because these are

newer markets and because more people actually need to be brought into the conversation. That was their recommendation.

That speaks to the idea, is the market ready? There's another piece of that "is the market ready?" which is, does this sound like something that's too out in front of what we're doing? I interviewed an executive from a conglomerate in Peru, and one of the things he said is, "Our business culture is generally speaking pretty conservative and we want to make sure that this doesn't seem to be too far outside of our business culture." The way that we do this is to make it seem like it's not a gimmick. What are we doing that is fundamentally different?

Down to the fourth point: limited understanding of the idea of a new gTLD as an investment, as a generic or category TLD, versus using it to represent your community or your company name. This was obviously a very important piece of some of the applications from the Global North, much less so in the Global South. What we found was when we interviewed people, there were very few of them that had really thought about this as a potential use for their new gTLD or for a new gTLD.

But many of them thought it was a good idea. The question was, is the market ready? But also the question was, "Okay, if we're going to do this, what's the right generic and how are we going to fit into the potential competition with the Global North?" There was some real perception that other people in other parts of the world were better prepared to do a generic than potentially from the Global South.

Yes, Megan?

MEGAN RICHARDS: Sorry, I didn't want to interrupt.

ANDREW MACK: No.

MEGAN RICHARDS: It's just another question. Did you notice a distinction between brand owners in the Global South and other industry owners? Were the brand owners more interested in doing this or going forward?

ANDREW MACK: Sure. We looked at a wide variety of people. We looked at brand owners. We looked at conglomerates with multiple brands. We looked at associations. We looked at cities, universities. We tried to make it a pretty wide swath. And some people who might be described as investors or connectors or [inaudible]. The general sense that we got was that for the big brands, they immediately assumed that their brand was going to be their TLD. So the big question for them was, "Okay, I've already got a .whatever. What is new about this?"

For the associations, interesting, I think that they got the idea. Some of them at least got the idea of the vertical a little bit more. I remember speaking to a [fruit] association in South America, and they talked about the idea, "Okay, yeah, I can imagine getting a [.fruit] done, but I'm not sure my members would necessarily understand it. But I can see why that might be valuable. We talked with a Caribbean representative

about the possibility of .carnival more as a cultural marker. But then she said, “Yeah, but I suppose it could possibly be used as something to sell for commercial purposes and things like that.”

Again, the lack of business model was a big issue. What we didn’t find nearly as much as we were expecting was people who might be brands or conglomerates who thought about the possibility of getting a vertical as a secondary source of income, as an investment or as a way of selling domains or things like that. I remember having a couple of conversations and reading about some others where the response was just, “That’s an interesting idea. It’s not our core business.” Make sense?

Jonathan?

JONATHAN ZUCK:

This is still maybe ill-formed as a question. A lot of what we’re going to confront, and I know this is coming up, is trying to understand what’s really in the remit of ICANN as an organization to do in terms of tenderizing a market for this.

What’s interesting about these first two slides and these first two sets of findings is that I’m kind of curious about their interdependence. In other words, I can see from the first slide that, wow, it’s frustrating there wasn’t better information out there. But what I have not yet heard from you is any sort of “but for” analysis on this second slide that said, “If only I had heard about this sooner or that idea you shared with me had come to me, I would have done this.”

I'm hearing instead a natural conservatism, etc., that might suggest that it's a perfectly natural thing that the Global South is waiting to see how this turns out, waiting to see what business models evolve, and therefore pursuing them. So it's less of an indictment against the program that there weren't these applicants and more a reflection of a different approach to new markets than we might otherwise have experienced.

I guess the other thing that occurs to me now and I wish had occurred to me when you were starting – so I apologize now – is the notion of a sense of urgency. There are a number of TLD applications which target these markets but didn't come from applicants in them. Is that something that we need to regard as DNS colonialism, or is that a normal issue as well? In other words, is that anything that creates a sense of urgency?

But otherwise, I feel like this data doesn't suggest, right? Because the idea that we could have put business models out in front of people at the start of this program feels a little bit absurd because most people are trying to figure out their business models still today. So the next set of procedures are going to be in a better position to share business models, what worked, what didn't work, etc., in that communication. This all feels very natural and non-urgent.

But the one caveat is the notion of those markets being taken over by speculators from the Global North, creating urgency that might not otherwise exist.

ANDREW MACK: Okay. That was – yes, Waudu, please.

WAUDO SIGANGA: I don't know. I think I'm not so much in agreement with the point that Jonathan has made about some of the applicants giving some of the reasons that they didn't do the application because I think the question to them was just, "Why did you not apply?" So I think your job was just to actually put together the answers that they were giving. Then from there, I think we have to analyze those answers.

So I think that the particular answers are okay.

JONATHAN ZUCK: I confess, I don't know what it was you agreed or disagreed with. I may have said too much, and I apologize. That's on me. I guess the first slide was all about how we didn't put enough information into the market. The second slide is: even people that had enough information didn't find it urgent, didn't see a business model that applied to them, didn't think the market was ready, etc.

That would suggest that, even with a perfect communication plan, which I know a lot of us feel like, "Gosh, I wish the outreach had been better" – that's an emotional reaction we have – that, even given better outreach, these concerns raised here in the second slide would have overruled that and that the underlying issue has to do with a lack of clarity that I think in some ways is shared in the Global North. But maybe the abundance of funds overruns that concern about what the

business models is and what we're seeing reflected here is just a conservatism and not a function of lack of information.

WAUDO SIGANGA: What I was saying is we go to ask these people, "Why did you not apply?" If the answer is, "I don't have a business plan," "I don't see the business plan," or, "I don't see the business argument," I think that's the answer we're looking for.

JONATHAN ZUCK: Agreed.

MEGAN RICHARDS: Can I ask a supplementary aspect? Is it really also to the fact – and maybe this is something you can tweak out of the information you have – that the existing legacy TLDs already serve adequately the existing market? Can you say that? Or that Internet penetration or users in some of those countries is not sufficiently high, or expectations are, but this is something for the future but not now? Or is that perhaps too much of an extrapolation?

UNIDENTIFIED MALE: My point is totally unrelated to that.

ANDREW MACK: Okay. I'm going to try to dive in.

WAUDO SIGANGA:

Sorry. Just before you respond, I would also like to know from Jonathan what kind of response maybe we'll have expected, other than, for example, somebody saying, "I don't see the business plan," which I know is not in the remit of ICANN to go and give the business plan to the applicant. But this is the answer that we have received from these people we were asking. "Why did you not apply when you could have applied?"

So I don't know what would have been expected, other than answers like this.

JONATHAN ZUCK:

I think those answers are fine answers. I'm suggesting that it's the real answer. But this notion that the outreach was insufficient is not the answer. That's the point I'm trying to make: even in a world of perfect information, these concerns that are raised here would still be present and would still have prevented participation in the New gTLD Program.

So I'm hesitant to come away from this report with a mission to improve our outreach program to the Global South if what in fact are the real constraints is seeing market preparedness and relevant business models for potential applicants. That's my point.

When I look at both these slides, I don't usually conclude, "Wow, I wish we'd had better outreach." That's my point.

WAUDO SIGANGA: Sorry to ask again. What example can you give as something that will have been useful? The way you're explaining, if we ask these people, "Why did you not apply?" – just give one example of information that they could have given that could have satisfied [inaudible]

JONATHAN ZUCK: It's all useful. I'm not criticizing any of the data. I'm criticizing in advance the conclusions we might draw from the data.

WAUDO SIGANGA: Okay.

ANDREW MACK: As the one who's got the data, let me just jump in here real quick, if I might. I think, Jonathan, you're probably going a couple steps too far, if I might say, and Waudu maybe a step too little.

There is no question that this is a difficult task, in part because we're talking about something that didn't happen. By definition, it's impossible to prove the negative. We know this in advance. So this is a best efforts basis, number one.

Number two, the start of any conversation that says, "Wow, I didn't know that was a conversation" is a conversation. And it's a meaningful conversation. It doesn't necessarily neatly lead to a "but for," but it is a meaningful piece of the conversation.

What we tried to do was to extrapolate back from that a couple of things; number one, asking people about their sense of the viability of this as an idea, whether for them or for their model; how they might use it; how they thought about using it; and what, assuming that they were more informed, they might want going forward. I think, honestly, we've gone about this awfully hard. This is the best that one could do under the circumstances.

It is true – and I would never say it otherwise – that it wasn't just about information. However, since so many of the people that we talked to said, "We felt under-informed," I think that is an important thing, if we decide we're going to go forward and if, in fact, we believe as a community that reaching out to and promoting activity in the Global South is important.

To wit, in a situation where no one has a business plan, the people who have at least the knowledge of the program are going to be more likely to spend the time and effort to be able to justify that than people who are relatively less aware.

So I would say that there's no question we're all starting from a very initial place, but an initial place without a lot of other contributing information made it even that much more difficult. I think, if we decide we're going to go forward – I hope that we will look at that seriously; that outreach is an important – not the only important – piece of what we would be looking at in the next bit.

If you're taking a look at the slide on the screen, it talked a little bit about the public at large. I think that that is extremely important. That is

clearly something that is going to be necessary to make the different business models work, especially in Global South context.

We talked about this in the last bullet: the idea of seeing this as a must-do versus a possible idea. I think you're right, Jonathan, that there is a question of natural conservatism in some of these markets, for sure. But as I remember talking both with someone in Ghana and someone in Kenya about this, they said, "Look, we're not talking about everybody being conservative. We only are looking for a few people who are going to be investors who are going to be jumping out and trying to grab at this."

So the key thing for us is to not light up everyone in all of Ghana. It's to light up the people who are most interested in this, being sure that they have enough information and making sure that the market has enough basic information in it so that, if they decided that they wanted to go forward – look, it's a –

JONATHAN ZUCK: That turns out to be everyone.

ANDREW MACK: Some of – please, Jordyn. You had a question?

JORDYN BUCHANAN: More of an observation in support of what you're saying. I think we had a few hundred brand applications from not a few – I think many of the brand applications came from a relatively small cohort of applicants that

applied for multiple – certainly like Google and Amazon and some of the big luxury brands all applied for a number of brands each.

So I think if you just went out to these same cohorts – just looking in the Global South – in the Global North and you just interviewed some random people, there’s a good chance they also would say, “Oh, I don’t have a business plan for this. Indeed, I don’t not apply for this” – most brands in the north also did not apply for TLDs.

So we shouldn’t over-read into that second slide as that nullifying the first slide because the fact that most of these people – obviously no one had business plans. Otherwise, some of them might have applied. But I don’t think that’s necessary disqualifying for the market as a whole to say that no one there could have developed one.

UNIDENTIFIED MALE:

Just to be very, very clear about what we heard and what we didn’t hear, we didn’t hear people saying, “You need to provide this to me on a platter.” We didn’t hear, “You need to give me the cut and paste version of my business plan.” What they wanted to know was, “Okay, I need a little bit more bounds around this.”

Look, with the next slide, which is all about price and profit complexity, one of the thing that we heard people say is, “You know, you guys can take a [flyer] on this in the Global North because this is not real money for you. But \$180,000 in my market is a substantial amount of money.”

Therefore, [inaudible], all things being equal, if I am sitting there saying, “I’ll make it up,” “I’ll make it up” is a different conversation to be having

in the Global North than it is in the Global South. It's not even a question of whether or not they can afford it. It's a question of whether or not that amount of money – they feel that that's a good investment of time and effort.

So certainly I agree with you: the business model is – they're all interconnected kinds of pieces. Short of giving people an actual business model that they can follow, giving them some parameters around it and helping them to understand the way that people have thought about business models is something that the interviewees we spoke with really said they would appreciate. [inaudible]

ANDREW MACK: Waudo, please.

WAUDO SIGANGA: Sorry. I just wanted to mention also that some of the answers you are getting in your survey actually conform to some of the answers that we had this morning from a different survey that was done on applicants.

For example, the –

UNIDENTIFIED MALE: Smart guys.

WAUDO SIGANGA: – the inadequate information from ICANN. Little time to do the activities, changing process timelines, poor communication methods.

The same findings were found in the survey of the applicants. So I think on the right part...

ANDREW MACK: Let's go ahead and keep going if we could. I'm now on Slide 7: [inaudible] price and process complexity. Yeah? That's perfect. Okay.

Not surprisingly, people felt that the price in the Global South was high. It was not a barrier in the sense that a number of people we talked to said, "Yeah, we could do this, but it feels like real money to us. So we would need to be fairly certain that this was worth doing."

They did talk about the fact that the process wasn't plug-n-play, documentation was long, and timing too short.

MEGAN RICHARDS: [inaudible]

ANDREW MACK: Say it again?

MEGAN RICHARDS: [inaudible]

ANDREW MACK: Okay. I'll talk about the cost of assistance in a second. A few mentioned the lack of sales channel, a lack of registrars in their regions – that was especially something that came up that'll surprise no one in the Africa

region. The quote I liked: “In our part of the world, \$185,000 is real money.” But interestingly, only two people mentioned this as their number one concern.

Megan, you were questioning about possible support. We got a couple of people – three people – who mentioned support, whether consulting support or other support, as part of the mix.

It was interesting to your question, Jonathan, about whether this is neo-colonial. One of the things that they were very, very strong on was the idea was that support would be helpful, but there was a strong tech community in a lot of these countries. As a result, they were hoping that the support would be offered in such a way, either through local sources or with local sources so as to build up local capacity. So this wasn't just a bunch of nice people from the Global North parachuting in to try to be helpful and then leaving with little capacity behind.

There was a suggestion from one of our people that we create some sort of a consultant roster to help facilitate the process. I think that's not a bad idea.

Other questions on this slide? Okay. Please.

JONATHAN ZUCK:

Sorry. I hesitate to do this again, but on cost, did anyone say, “But for these costs” they would have? That, had it been cheaper, they would have? I guess that's I'm getting at: the “but for” notion. These are all things that people put out there and those are proven negative and things like that. But is there anybody that – this applies to my previous

thing – thought, “Oh my God. Light bulb. I wish I had known that. I would have done this,” or, “Had I known about the applicant support program that nobody applied for, I would have done this,” etc.? And did the applicant support program come up in your conversations?

ANDREW MACK:

The applicant support program did not come up in my conversations. It is a similar kind of situation where no one knew it existed and it was not picked up widely. The question is, was it because people were disinterested or was it because people didn't know it existed? I think both of those are true, and unwinding which one is which is a delicate thing and a different one I'm not sure we'll ever know for sure. But certainly, the lack of knowledge of any program means it's not going to be used.

In terms of the “but for,” very, very few people had enough information about pricing to be able to say, “Oh, yeah, \$185,000 was too much, but \$75,000 would have been fine.” I don't think anybody in any of the conversations that we had mentioned that, that the general feeling was that the price was high for their market.

But again, I don't think that that was the primarily driver, number one. Number two, there were a number of people who mentioned the ongoing running costs of a new gTLD as part of their thought process.

But let's face it. The truth of the matter is that most people didn't have real clarity around what those numbers were, so they weren't going to say, “Oh, yeah, I've looked at this in depth, and this is 20% above my budget.” I think part of what they were looking for – this is why we got

such strong feedback around business plan – was, “We need some sort of rubric under which [we] can be making some of those economic calculations.” They just didn’t have it, Jonathan.

So I recognize that the conversation around business plan and around price is somewhat unsatisfying, but I don’t think they had the data, enough data and enough awareness around which to really say, “We need to cut it by 30%.”

UNIDENTIFIED MALE: One comment. The running costs are not so high [inaudible] applies to someone who is already a ccTLD or legacy gTLD. So one example from registries in my region that the initial price was higher and they didn’t apply because of it. It was ccTLD from Eastern Europe.

JONATHAN ZUCK: Did they not know about the applicant support program?

UNIDENTIFIED MALE: They know, but they didn’t have the budget.

JONATHAN ZUCK: They did know.

UNIDENTIFIED MALE: Yeah.

UNIDENTIFIED FEMALE: Even [inaudible]

UNIDENTIFIED MALE: Yeah. This was [inaudible]

UNIDENTIFIED FEMALE: [inaudible]

ANDREW MACK: Okay. Waudo, please.

WAUDO SIGANGA: Hold on one second. I apologize for asking too many questions. I'm just wondering, when they talk about this business plan issue, was there any indication of where the expected business plan would come from, whether it's from ICANN or whether it doesn't matter as long as it's a business plan?

ANDREW MACK: Great question. What ICANN's role is in all of this, whether as the promoter of the project or generally as the supporter of potential new gTLD applicants or as the creator of intellectual property, is very, very board. In the minds of the people that we spoke with, it had many, many forms.

I don't believe, based on the conversations that I had and the ones that we reviewed, that people had a very strong sense that ICANN was going

to give them a business plan. But there was a subset – yes, I just can't my head around this. I don't know what it would look like. As a result, that was a major determinant for them. We had a lot of people – I can think of three just off the top of my head right away – who said, "Okay. I wanted to take this forward, but I had to take forward something that was more concrete to my management to get them to look at it. I didn't have the tools to do that."

WAUDO SIGANGA:

The reason I was asking that question is that, in many business situations in real life, the details [primarily] emanate somehow from the market, from the customers, from potential customers. So I think the idea may be that the problem was starting from the fact that the potential consumers don't know about this project because, if they knew about the new gTLDs, then that will create the business plan just naturally.

So I don't know. Maybe you can see how that could fit into the survey you did: there was a problem coming from the fact that the consumers didn't know anything about the project, and that impacted on the potential applicants, rather than the potential applicants expecting to get their business plan from, let' say, ICANN.

DAVID TAYLOR:

This is Dave from Nielsen. I was just looking at the registrant data to see if there was anything that would go along with what you're saying.

If we look at this as some of what you're talking about being indicative of business cultures, when I looked people who were aware of the new gTLDs but chose not to, their number one reasons were –

JONATHAN ZUCK: This is the second level, right?

DAVID TAYLOR: This is at the second level.

JONATHAN ZUCK: So these are people getting names [inaudible]

DAVID TAYLOR: Correct. So this is different than applying to operate a gTLD. This is to get a domain. But still, they said it wasn't relevant to what their business needs were or it wasn't a high enough business priority. That was much more likely to be their response, particularly in South America and a little less so in Africa.

Those that did register it were even more concentrated around protective measures, so it wasn't like they were seeking a new opportunity. They were protecting their existing assets.

So those sorts of things do tend to dovetail with what you're talking about.

ANDREW MACK:

Waudou, to your point, remember that we're looking at different market segments. For some, the general public is crucial. I think, for the general program, the evidence would suggest that we need a much wider general understanding of the fact that new gTLDs are out there and how they might work.

We talked to people who have membership organizations who were thinking of using them largely internally. We talked with groups that were – for example, conglomerates in finance – thinking of using them in a combination of internally and externally.

So I think this issue of urgency goes to the issue of the business plan. The business plan is wrapped around who your audience is. The general public audience is an important piece of this, but there are other models as well.

Without saying that the only thing to do is improve the general public's awareness, I think general public awareness would make this a more attractive prospect for everyone all around.

I'm going to move to slide – oh, I'm sorry. Please.

STAN BESEN:

You may be interested in the fact that in the study –

JONATHAN ZUCK:

[inaudible]

STAN BESEN: Stan Besen. The Latin American/Caribbean DNS marketplace study actually refers to the inability of ccTLDs to attract the larger international registrars to their business, to your point here. So you might be interested in the fact that that's consistent with the observations of your respondents.

ANDREW MACK: It was interesting to me. There were a couple of people who talked about the idea of launching a vertical. One of the things they were concerned about was "Will we be able to get enough connectivity into the international market so we can actually sell this thing beyond East Africa or beyond the southern cone of South America?" Because, if it's a good idea for the broader world – and to your earlier point about the potential for DNS colonization, I think there was the sense that people looking from the Global North down at the Global South could see it maybe in a different ways and, in some ways, are able to see the broader longer-term because they're not bound by the mindset of the market in which they find themselves, where, if you're in South America, you may be thinking about what it's like to be in South America currently as opposed to looking to South America from a North America perch.

STAN BESEN: If I understand this correctly, apparently a number of ccTLDs in Latin America are their own registrars. So we've talked a little bit here about the fact that having access to registrars made it easier for new gTLDs to

enter. In places where they're not available, you have to enter at more stages of the production process, and that may be a barrier to entry.

ANDREW MACK:

Yeah. We have to think about this in terms of the different jobs that a person making an application might have. I think this was a key takeaway for me. You got the job of conceptualizing this, putting together your business plan. You got the job of trying to dumb it down for your senior executives if you have to sell it up a line. You have the job of explaining it to your consumers and the general marketplace. That's a lot of jobs. And you've got the job of trying to work your way into the sales cycle if that's necessary.

So I think it's a difficult job for anyone anywhere, but then you add some of the challenges of the newness and the Global South and things like that. I don't think it's less of an opportunity, but I do think it's a big of a steeper hill.

Carlos, you got a question?

CARLOS GUTIERREZ:

Yes. I want to expand on Stan's comment on the LAC DNS market. The lack of know-how of channels they point out is a serious problem. Why is it a serious problem? First because the ccTLDs tend to sell direct. They don't even have their own technical operations. They're based on backend providers, and they sell direct. They don't have this model of registry/registrar/reseller. That's why they sell so little and so expensively.

So the know-how, apart from your application, of managing the TLD technically I think is part of this knowledge, of this know-how, and that cannot be supplied by a consultant. That has to be supplied by a registrar or a reseller or a hoster or a website provider or whatever.

What the study for Latin America says is: I don't see the justification. I have asked this before here. The conditions for the new gTLDs in the 2013 Registrar Agreement pulled out resources from the Global South. There are less registrars involved in the Global South, so this technical know-how was not available.

I hear it, but you have not differentiated between the application and the operation because I guess the cost is a combination of both, or the business model, as opposed to the business plan, is to consider the whole value chain.

UNIDENTIFIED MALE: That's what [inaudible]

ANDREW MACK: If I could just respond quickly to that, you're absolutely right. We focused more on the application process because that was our task. A number of the people that we spoke with did mention, as a concern, running cost. But remember, both of them were people who didn't apply, and, as a result, hadn't even gotten to the stage which you're talking about.

That said, from some of the people who were more knowledgeable about the process, that's where we got things like the local capacity building and concern about being clicked into the global sales platform.

CARLOS GUTIERREZ: If you allow, just for the record, the Latin American market study is more concentrated on this operational running part. What we have here is a little bit more on the application, so we should not forget to try to link them more. Keep both on the scene. Thank you.

JONATHAN ZUCK: Everyone, try to remember to say who you are when you speak.

CALVIN BROWNE: Hello? Hello?

JONATHAN ZUCK: Go ahead, Calvin.

CALVIN BROWNE: Hi, guys. Just to – okay, there's a bit of echo coming through. [inaudible] we were successful in three local gTLDs based on [inaudible] and Durban. Basically, we also had about 400 local registrars in countries that were moving their ccTLD. Then we ran up against the fact that none of them could actually show – Durban [inaudible] – because they weren't ICANN-accredited.

So even if you got the local channel, it doesn't mean that the local channel will be able to make use of it because of the ICANN accreditation [inaudible] as well. In fact, what we did is we actually went and got our own registrar and set up a proxy registrar for these [times] to actually service them so that they could move what are in effect local domains anywhere.

Anyway, just thought I'd share that experience with you.

DAVID TAYLOR: Thanks, Jonathan. Andrew, you did engage with some applicants which were actual applicants. I can't remember what the stats were on those. Maybe just let me know quick so [inaudible]

ANDREW MACK: Sure. Nobody went all the way through the application process. We had a couple that were – a handful, I think five or so – in the process but didn't complete it. But our remit was to look not at people who went through and then dropped, but rather to look at people who were considering it and didn't or didn't consider it at all. We tried to err on the side of the kinds of people who applied in the Global North, and that's it. Most people in the Global North also didn't apply.

DAVID TAYLOR: Gotcha. That's good. I'm just wondering – a question for Eleeza – on turning this on the head of the applicants who did apply from Latin America, for instance. Did we get replies back in the questionnaire from Latin America? We were trying to get none. We got none back.

JONATHAN ZUCK: Just Brazil.

DAVID TAYLOR: It was just Brazil. That was it. Okay.

UNIDENTIFIED FEMALE: [inaudible]

UNIDENTIFIED MALE: Correct.

JONATHAN ZUCK: It's probably half.

UNIDENTIFIED MALE: No, no. 45 is the total.

DAVID TAYLOR: So, yeah. Because where I was just going on that was just thinking, where we don't have the data itself, it's the same thing I'm been thinking on the RPMs. Where we don't have the data, we should be looking at case studies. I was just looking through there while we were talking about one applicant, [inaudible], from South America because they actually applied for five, they're the largest travel agency in Latin America and they applied for five TLDs. So they were happy to spend a

million. It seemed to me they're particularly a good target, shall we say, to speak to if we do have to get somebody to speak it might even be worth one of us speaking to them. Because having applied for five and they're all around hotel, so they got one in Portuguese, one in Spanish, one in English.

So that raises those issues shall we say and I was just looking through, obviously they're about to decide on whether it was relevant for them in a business priority, etc. But, they've also had the issue of the north-south divide or the north-south friction because they've ended up in contention. They've ended up in auction. They lost one of those in auction to – I can't remember who it was now – in European company booking, that was a booking they lost in auction and they still got one of them tied up with ICANN process on a reconsideration request. And they've had one delegated which is live.

So it seemed to me if we're looking at a case study it kind of throws in a lot of pieces of a jigsaw and strikes me as somebody we should speak to really as an applicant I would say.

JONATHAN ZUCK:

But before we move off of that, how do we now make that happen, now that you've said it? Who can make that connection to them? Because I agree. And what I would like us to record for the record that that idea came up and how are we going to execute on it? Who's best to reach out to them? Is that you? I saw your hand. Didn't you see his hand? Are you responding to this?

ANDREW MACK: Yeah. I was going to say, so there definitely seems to be, I don't know who helped them apply. But if anyone, but they seem to be a new star backend client. So an easy way to get an intro, at least, might be to go talk to someone at Neustar who would be here and tell them we want to talk to them and get an intro.

JONATHAN ZUCK: Right.

ANDREW MACK: Okay. I'm happy to help.

JONATHAN ZUCK: All right. [inaudible].

ANDREW MACK: I had another comment, too, whenever...

JONATHAN ZUCK: Right. Understood. You were after David. I just didn't want to move off of... Were you reacting to what David said? Because Jordyn was next in the queue, but I just didn't want to... Okay. Carlos, go ahead and [inaudible] comment.

CARLOS RAUL GUTIERREZ: I think we should also consider Calvin's experience. Not only the successful ones, but the ones that were applied through South Africa

and then were stopped before delegation. He explained that to us in Washington, but we were sitting in a bar drinking beer. So I don't remember the answer. So this is a very similar situation and not successful situation like hotels. But we have these five or six or seven South African applications that were pulled back. And South African Registry was doing the application for them. So it's not exactly the same. But this is another case I want to ask Calvin to refresh our memory. Thank you.

CALVIN BROWNE:

Basically, I think there's about seven applications or whatever. I think they were [Ullrich] applications. So I think it was [Ullrich] who, ARI, who signed them up. We got the feeling that they didn't understand what they had signed up for. And it was also the continent-wide satellite TV provider. If you happen to have a large marketing budget so maybe if they were with us and we had been able to help them, taking a dig at [Ullrich] they might have been a bit more successful in knowing what to do with these things.

We did try to reach out to them. In fact, I even tried to get ahold of the CEO who I've met once before and for Andrew and they were just non-responsive. We try to figure out why they were doing this and if we could help them. But they were totally non-responsive in there. So it's a bit of a mystery for us as well. Unfortunately, I can't help more than that.

ANDREW MACK:

And what was the name of that company?

CALVIN BROWNE: [inaudible].

ANDREW MACK: Yeah, so certainly we can for the record. I think there's an interesting observation that's been made along the way here with regards to sort of the ongoing running costs and local expertise, which is that the ccTLD Registries are likely an important resource in these markets. And I think, actually, we may want to take a look at this very small number of applicants that we have from the global stuff. And I think we'll probably bear this statement out. It's not true probably with MNET or [inaudible] or I just found as located other stuff African brands like [Intel Pro], I don't know, Naspers. I don't know who that is.

But, in any case, they applied through affiliates. But it seems like a very large number of the applicants were affiliated with our ccTLD operators. So we know that a number of the applications from Brazil that's true for.

Obviously, Calvin eludes to his own experience. I think there's some — either with registry or registrar. Well, I'm not saying it's a conflict or not. I'm saying it's a fact. It's a thing that happens is that these are the people with operational experience. There's far fewer of them, especially in the ICANN-accredited space in this part of the world. So the ccTLDs may be a very important part of the equation because they actually have at least some operational experience and they may have their own as with South Africa, there may be a parallel network of registration authorities that are not necessarily ICANN Accredited. But

are still relevant... that's where people in that country go and we may need to think about how to take advantage of these existing networks of relationships and areas of expertise that exist.

ANDREW MACK:

If I might just add to that. I think it's a really interesting point. One of the things that was not part of our study but is kind of suggested by it is to try to better understand the relationship between the ccTLDs and new gTLDs coming into emerging markets. And I think that there's a possibility again going to this need for, it's not business plan, at least some outlines of the market where we could say, "Hey, here's how it's been done in other places where it might work for you." So that people don't necessarily default to thinking that it's a one-on-one competitor. Or that one falls under the other. There's definitely expertise that could be shared. And there are an awful lot of people from our experience that have a connection both to the ccTLD and to the non-ccTLD, DNS community.

[JORDYN BUCHANAN]:

One more quick observation is that, I think, to a certain extent when we think about business plans, I think, we can also say, "Ha ha, it would be absurd for ICANN to give people business plans." On the other hand, I feel like the process is actually almost the opposite of that in that I can't intentionally try to make it super not commercialized.

And, therefore, the start of the process is incredibly okay. Because there's not a list of who do I talk to, to get more information, right. Just that would probably be really helpful. Who are the people in Brazil who

know about DNS, right. Here are these people. Where are the consultants? If you happen to live in North America? You happen to already be a client of one of these big brand consultants, then you've already got someone to talk to. But, if you don't, where is your starting point? I feel like to a certain extent if ICANN just had a opt-in directory of, "Hey, here are our people and you can sort it in various ways. You can sort it by country. You can sort it by what sort of advice you need." That would probably be a really helpful resource for people just to get started in the conversation.

ANDREW MACK:

I think when we're talking about business plan, we weren't talking about them saying, "Here's the entire business plan for you. Actually get on A or B." But it was rather this kind of thing where, "Okay, what are my steps? What's the A to B to C to D. I don't want to have to wade through this to become an expert before I even determine whether or not we want to do this, right? So if you can give us the structure and the skeleton, we can take it from there.

MEGAN RICHARDS:

If I'm not mistaken, David knows all about this. It's not just the Global South, but in the Global North and other areas as well, many, many people have used assistance because it's just time consuming and fussy and bothersome and, David can do it for them at very good rates. For example, so they shouldn't feel inadequate or incapacitated. It's something that many, many people have also used for reasons of efficiency and—

[CARLOS RAUL GUTIERREZ]: I just wanted to mention that I think when we're talking about the remit of ICANN, we're talking about things like outreach and so on, to my knowledge, ICANN actually has outreach programs so I think it's work with [inaudible] incorporators. I know one program called CROPP that we've been using. So ICANN actually has that as part of its remit, that's number one.

Number two, I think ICANN has a communications department, if I'm not wrong. The job of that communications department – I think there's even someone that was appointed already – it's to make sure that the work of ICANN is known to the wider community. So I think we incorporate all those possibilities when we're making our recommendations about some of these programs like the new gTLD program getting onto the wider community.

ANDREW MACK: So now moving to the next round of [inaudible]. You are right on top of it. Let's talk a little bit about recommendations. Just to your point about outreach because we're not going to invest in something we don't know exists. Here is some of the feedback that we got. Why we shared from different parts of the community.

Number one, more and better outreach from ICANN over a longer period of time. Longer period of time because these messages are new still in the Global South and because they need to be repeated for the multiple audiences. Just speaking to the narrow technical community not going to be enough. Clearer communications around the process,

including costs and all-in costs, that's going to be extremely important both in getting past the question of money, right? But also in allowing people to take it from there, to make the decision themselves about the business model and about the amount of time and effort they're going to put into this.

We talked about timelines, especially in Latin America, that was a big issue. I think we will do ourselves, as a community, a big service by acknowledging that that was something that we need to work on. And just to be sensitive to it, summer schedules, things like this.

We talked about the general public. This seems crucial for reaching decision makers in large organizations who typically hadn't heard enough about the program. So think about it like this, you have almost like a curve, at the one end of the curve at a very low level you've got the general public who don't know very much about the program, have not heard about ICANN, would have no real reason to know about it, right.

And you have a higher bulge in the middle of people who are more connected to the technical community. And then you have the senior executive level, many of whom have no idea that ICANN exists or if they do know what they read in the Economist and it's a three paragraph line, right. Three paragraphs about our piece.

And so we need to try to reach all of those different audiences more effectively and keep the messaging fairly simple for the people that don't need to know as much. In terms of some of the specific area

where it was recommended that we spend more time if we're trying to do effective outreach as a community.

Trade associations was a top recommendation and that surprised me, frankly. People said, "Look, this is an important way for us to reach out to other people who are like us." But also that it lowers the level of stress around us. It lowers the newness and the novelty, because if I'm in the tourism business and I see other people getting names, I'm going to perceive this as a less risky thing. It's going to be easier for me to sell this to my management. It's going to be easier for me to sell this to my community. And so you've got a kind of a positive community effect.

The other thing about it is that trade associations are a way of getting a large number of the same kind of decision-makers in the room at the same time. So from the perspective of efficiency this is one that was recommended.

They talked about conferences and Latin America, Africa, Southeast Asia are still very high context business cultures. People get together face-to-face. You can't just send them something in the mail and hope it's going to happen, right. Whether e-mail or other mail.

So conferences are important. Choosing the right conferences, some of that could be around trade associations. Some of that could be around tech. But if we're trying to reach people in the decision-making capacities, we maybe also want to be looking at other kinds of decision-makers. So, people with a marketing flavor, people with a logistics flavor, things like that.

The last one was the idea of reaching out to lawyers and other professionals. We were struck by the number of people who mention that they'd have to go through their lawyer or that they had heard about this through their lawyer. So when people are talking about the network with whom they interacted to hear about this, sometimes it was their lawyer. And, again, lawyers and to some extent consultants and maybe even people in the finance and accounting world are people who give calm. They are people who can say, "Yes, this is okay. We can bless this idea." And that we were told is important and finding a good few lawyers as local hubs of both information and of sensitization for around the issues is something that we strongly recommended. Any questions about these different ways of reaching? Okay. Great.

So the next slide, "Key messages to be strengthened." Number one was that there are business models for success and case studies that could be reviewed and things like that. Just give me the background data. Give me something I can take a look at so I can translate this into my own local context. That was something that was a huge message that we got back.

Second thing was just a message of encouragement. There were a number of people who mentioned that they just wanted somebody out there to say, "Yeah, you guys could this. This is a fit for you." And in the absence of other people in the past who had done it, and the fact that even as Jonathan mentioned, the number of the people who are aimed at some emerging markets, who came from the Global North, they wanted to hear from the community that this is something that you can do.

There was some significant concern or some significant confusion around what they could expect in terms of assistance, what is ICANN's role going to be? What other assistance is out there? What kind of support might be available? The feedback we got is they would like to know this as soon as possible. So they can get that information out there as soon as possible so that they can figure out whether this is something that they can pursue.

And as many people mentioned, it was valuable to have outside assistance. Great. I want people to know what my all in costs are up front. So if I'm going to my organization and people said to me, "So if the application cost was \$185, what was the all in cost? And we kind of had to guess based on what the experiences was that we had heard from different people who had made application. But I don't know, a quarter million dollars maybe? Something along those lines was what had come up in our conversation from the past. Had they known that, that's helpful for them to make that appeal.

Also, what can they expect in terms of ICANN assistance? That's in terms of tools, it's also in terms of timeliness and it's in terms of with whom should they be speaking and how? So that they know where they can go, how much of this do they have to figure out on their own versus how much can they go and is there a help line. [Inaudible] as that, but you get the general idea.

Those were the big areas in terms of messaging. Any questions around messaging or anything that you were surprised you didn't see? Okay.

Languages are mentioned by five or six different people. Again, some of it in Southeast Asian languages and a number in Brazil, a number in Portuguese.

UNIDENTIFIED FEMALE: But, Spanish was available?

ANDREW MACK: A lot of it was available in different languages. The question is how much do the people realize it was available. And to what extent is the support available in language? And to what extent is the language... Is it just translated, complicated stuff or is it actually simplified in a way that makes sense? Okay. Great.

I'm going to move to Slide 11 then. We tried to extrapolate some next steps based on where we are. And I think that they should follow nicely with what we've been discussing and what everybody's recommending themselves. Number one, is to create outreach tools, especially tools aimed at non-expert audiences. We've gone through why that's extremely important. Key questions about cost, process, timing, about ICANN itself because very few people know anything about ICANN and that did come up in a number of conversations.

There are also some key pieces around search engine optimization and things like that, that we believe can be relatively easily banged out in FAQs, things to explain. Much more to fully explain the different uses for gTLDs and answering business model uses and use case questions. And you mentioned the idea of IP Protection. That was having

applicants think of new gTLD as a potential way of holding their brand protect and things like that. I think that that's important. The global home for your community or your brand is important. Connecting with your consumers is important. Different levels of knowledge about those different business models was out there, much less though about the idea of using one of these as an investment or as vertical.

Third piece of advice, long-term program of consistent outreach. Megan, here's your language base, right. Starting well within advance to the next round and in partnership with the community. So those two pieces are really clear, well within advance of the next round. We are in this bubble where we believe that this has been going on forever because for us it has been, for them it has not, right. For them it really, really has not been. And a lot of people pick this up when the BBC or Global or [inaudible], right. Which is to say, "Great". Because that's when it's news in the local market. And so what we need to do is to get out there earlier helping the arc of this get going because we know that it's going to be six or nine months beforehand that we're going to need sensitizing the market.

The second piece is in partnership with the community. One of the very big things that we recognized is, is that a lot of the outreach needs to happen. Not just via ICANN, but via ICANN in concert with the ICANN community. So we're talking potentially about ISOC, we're talking about the local technical community, we're talking about all the different ICANN structures and that's going to be essential. Because just showing up and just having a regional representative bodies is not going to be enough. There just can't be enough touches. We need this to be socialized through the community much more broadly.

And then the last one was about other possible assistance, price support, consulted registries, sales channel information and the like. And we can have a long conversation about price support if you like, I went through that as a member of the [Jazz]. I know how complicated that one can be.

Last slide. So the last slide is really in a lot of ways the decision-making slide. That comes to a very fundamental question about, well, we're talking about what we would need to do should we decide to prioritize outreach to the Global South. Number one question is, are we committed to doing this? And, if so, how committed are we? I, obviously, believe that this is something important. But we as a community have to make an affirmative decision about how important this is.

And, number two, what success would look like for such an effort. Are we looking at the larger number? Are we looking at greater amount of access? Are we looking at more that start the process? More that finish the process? Do we have an arbitrary number in our minds? What does success look like and why are we committed to this version of success? I think that this is extremely important. I think a number of good arguments could be made that we want a globally open system, but we can't force an item that doesn't make sense economically. It might not make sense culturally or it might not make sense in the timeframe that we're talking about.

And so I think it's essential that we reveal in our own minds, how committed are we to this? What does success look like? And why is this important for ICANN and the ICANN community? And then on that

basis, since it's something that not just ICANN, but the ICANN community and probably will need to be involved in, what are we willing to commit in terms of our time and in terms of our money to make this happen. And so that's what we have. I think it's a broader question really sits both at the beginning and at the end of this for all of us. Thank you.

JONATHAN ZUCK: Calvin, I saw your hand go up.

CALVIN BROWNE: Yes, this last slide really speaks to me. I want to say that it really is a decision that ICANN needs to make as to whether they want to go down this route or not and how committed they are. So I just wanted to reiterate that and [do your best] one on this.

MEGAN RICHARDS: When I first read this on one of your previous versions, I was a bit shocked. But I'm not shocked anymore and teasing a bit, obviously. Because for me it was absolutely clear from the Affirmation of Commitments that the new gTLD program was intended to increase competition, increase consumer choice, increase – and this is the last point – consumer protection.

Not that it's the least important. But, for me, consumer choice and increasing competition by definition with an Internet that is supposed to be global and ever increasingly globalized, we have to address also the whole world. And that doesn't mean everyone at the same time, with

the same intensity perhaps, but it seems to me that why is this important for ICANN and the ICANN community?

It seems to me that it's important for the ICANN community and to the extent ICANN exists in all those places and has outreach offices. And I don't know what you call them, we have different names regional offices and outreach engagement centers. I don't know, everyone has a different name. It seems to me that at a bare minimum one of the things we should be doing is giving more information, providing access, doing whatever can be done within reason and within a reasonable cost to encourage the use and extension of this. But, I don't want to get into a big polemic now about this. But I think it's right to raise the questions. But for me the answers are relatively obvious.

JONATHAN ZUCK:

Thanks, Megan. I'm going to go to Jordyn next. And I know you don't want to get into this right away, but it's probably our next conversation to some extent. Because we have to deal with how we want to react to the application evaluation component of our review. And so some of this is going to be about presenting this data and then presenting these questions to be community questions or are we going to try and take a stand as a review team on these.

And I think that question itself is something that we'll need to answer as a group about whether or not we're going to pass these questions along and say if you have this level of commitment, these are things we need to do. Or are we going to assume it and what does that mean? Because again, saying it's important isn't necessarily the same as saying that we

want X number of applicants from the Global South, right. Or that ends up being a very [mature]. But I mean, it is again, what does success look like is a good question. Jordyn, go ahead, please.

JORDYN BUCHANAN:

I have two layers of thoughts here. The first is to your point that you just raised Jonathan, should we try to take a stand within the CCT on essentially these questions. And my inclination to that is to say, no. I think that's a very valid question for the community to grapple with. I think a better framework for us is probably to say, "Hey, look, we did some research. We understand that it is the case that in the 2012 round there was very little participation from the Global South and we believe that these are the factors that contributed to that lack of participation and here are things that you could do to address that if you wanted to." I don't necessarily think it's our goal to talk to the under... Let me back up a second.

I think the problem is why would you do this? You could, at one end of the spectrum, the very far end of a spectrum, what are the poles, that we were talking about earlier? One of the small [inaudible] poles that you could talk about is I think we have some data that says there's not actually a strong affinity between where the registrar is and where the registry is. And so, who cares, right? We could have perfectly good services for registrants all over the world just by having the broadening of the pool of registry operators that we've already had through the program and that would likely continue to exist through any further expansion.

On the other hand, you could also imagine there's another pole that says, in fact, we're probably not going to get as good of, if you think about language communities, for example, it's almost certainly the case you're not going to get as strong a support for various language communities if all of the providers are not in that community and don't have an access to that community. So that might be a good reason why you would want service.

We see a lack of infrastructure around registrars, for example, and it's just not going to build up until you start to build up some other formalized parts of the ICANN infrastructure there. I think that's a big debate as to what our goals are and I don't think the CCT is really chartered to try to figure out where along the poles that ICANN as a whole should land. I think we could very easily say there's two big classes of problems here.

Number one is if we just wanted to start with the premise that if you wanted to apply for a gTLD regardless of where you are in the world, here are things that I think could way better improve the communication. In some cases, it could be that the application fee is prohibitive for applicants from certain communities so we should make sure that there's ways to waive that or make that on a sliding scale based on where you're applying from. Whatever it is, we could come up with mechanisms to deal with that.

And there is a second tier of things that we could say is: what if we actually wanted to generate demand? What if we didn't just want to say, "If you wanted to apply, let's make it as easy as possible"? What if we wanted to say, "We want to encourage applications from certain

regions. Here's another set of things that you would do in order to do that"? And then we outline those sets of things and leave it up to the broader community as to where along the spectrum between those two poles that they actually want to land.

JONATHAN ZUCK:

I see you Carlos. The only reason I'm sure [inaudible] is because this is running into our next conversation, which is what we want to say and do as part of this component of the review, right? And so it's that part fee that you're talking about, Jordyn, this notion of if you want to—I feel like, and I wish I had a more definitive sense of this, but our remit is about whether or not the application and evaluation process somehow was discriminatory not intentionally but by effect, etc., against underserved communities. And so is there something that but for a better profit would have led to more applications.

Because if the argument was, as Dr. Crocker suggested in Washington D.C. more related to what Carlos said in terms of technical expertise, then we could argue that the lack of applications from Global South had nothing to do with the application and evaluation process but actually had to do with the market, right? So in theory we could say, check, it was effective for serving those communities and it was the greenies themselves that made an affirmative choice not to participate. And that was the argument that Dr. Crocker made.

So even within that category in the middle that you mentioned, I think this promotional category is one that without question we want to leave for the community in that the... But we should all decide that and reach

consensus on that so that you aren't all saying different things in the hallway than we're saying together. We definitely want to reach consensus on my question.

But in that middle category, I think our remit is to figure out whether or not the process itself was somehow uniquely deficient in the context of the developing world. I'm curious about people sealing about whether we've got the data to make that case.

MEGAN RICHARDS:

Just because we've identified issues doesn't mean that the process is deficient. Because—well, I'm trying to look for the exact wording of the Affirmation of Commitments again so we've got to go back to first principles but by definition, if you're to increase competition and increase consumer choice, you can't just limit it to one part of the world. You have to go beyond. So I'm not saying that the process was deficient and we haven't said that the process was deficient, but we have to take this a step further. And I'm not saying that we should say, "Here are the X, Y, and Z actions we have to take to go further," but I think it's a question of how it's worded. Let me put it that way.

JONATHAN ZUCK:

It almost always is a question of how it's worded and, Megan, you're talking about the competition and consumer choice components of the review. And I just want to remind everyone because it's the red-headed step-child of the—I don't know if that expression is in wide enough use but it's the thing often ignored, right? It's that part of our review is

examining the effectiveness, however we choose to define that, of the application and evaluation process.

That effectiveness of the application and evaluation process—and we broke that down into some questions and as a group during our brainstorming back in Los Angeles—identified the developing world as a component of that question that we wanted to address. In other words, was the application evaluation process effective at serving normally underserved communities? That’s the way that question was worded.

And so your normative question about whether we should be promoting or not, as Jordyn said, is something that we need to discuss as well. What I would like to make sure that we discuss today is whether or not we’re going to answer that question about whether the application evaluation process was effective in serving underserved communities.

I feel as though I could answer that question either way based on the data that we’re looking at and so that’s what I want to get at, I guess. Carlos, you’ve been waiting a long time. Go ahead, please.

CARLOS RAUL GUTTIEREZ:

I think what Jordyn said is a very smart way to put it, but it’s a little bit out of context. There are three elements that we have to recognize even if we’re not going to answer them. First one is the effectiveness of the application program because there was a rushed last-minute effort to improve the application program for the underserved communities, and Carlton knows about that.

The second element that is not obvious is probably not in the charter but is mentioned here, consistent outreach. What is ICANN doing all across the world with these Engagement Centers and talking to all heads of state and ministers to come and give a statement that they support the model because the model is good for them, maybe even changes now that we have a different CEO and changes the approach but ICANN spends a lot of money everywhere.

We just opened a DNS Entrepreneurship Center in Paraguay. Paraguay has 18,000 country codes of which only 3,500 have a webpage. That came out and Sally Costerton was there. And so what about this outreach might be out of four that we have to say it or recognize and say we're not going into ICANN's outreach because it's not the application.

And then there is a third element that is even further away. We're in a process of privatizing ICANN and so on and we cannot forget that over the past century, every time something was privatized, expectation of universal access was related to that. We can say, "Oh, that's 20th century, forget it. That was telecom. We don't have to care about common carrier and so on," but it will catch up with us one day. So if we do stay in this mark position, we don't want to get that we cannot be so simple as not to mention those elements is my point. Thank you.

GAONGLALEWE MOSWEU: This is Gao for the record. From [inaudible] you'll be able to pronounce it.

I think as much as it's tempting to move away from outreach and say it is not within our remit, I feel like for the audiences involved, i.e. the Global South, it's really important because it's pertinent to them, i.e. us.

Speaking from a developing world perspective, we don't have—somebody mentioned earlier on, it's new in some parts of the world and has been there all along for other parts of the world. So I feel like talking about the outreach and more specifically about the messaging is key. I feel like that is very important that we need to put there even though we may feel as the larger group that is not part of what this review was going to look at.

JONATHAN ZUCK:

And just for the record, I was in that shared suggestion that outreach was outside our remit necessarily. That the proactive notion that Jordyn's third category of whether or not to try and promote applicants from the Global South is maybe outside our remit to make the decision whether that's a priority, I guess. And Megan's point is that maybe it is under the rubric of the competition and choice and so I want us to have a conversation.

I'm just saying that's one of the things we need to decide is what we're going to step in as a review team when we go out there to talk about this to the community, right? But just in the little confines of the application evaluation process, the question about whether or not it was effective in serving the lesser developed world, developed south, all these various terms that we use for that, that's a tricky question

because I could make the argument that it wasn't effective in serving anyone necessarily.

So the question is do we find things that were uniquely decisions about money might have been like the lateness of the African Support Program, for example, the Letters of Credit is an issue that feels like it would—and one that to registry certification. Hopefully there's a meeting on that here at this meeting as well – back-end registry, art fee, accreditation, right? Registry service provider federation is one of the things that ICANN's trying to do to address that.

There might be a couple of things like that where we're trying to fit the application evaluation process uniquely disadvantaged these parts of the world then we can bring those up. But I think that it's probably outside of our remit and outside ICANN's remit to educate the public on the New gTLD Program, but I don't know. I've heard there are arguments to both sides of that but these are some of the constraints we're going to need to address. Megan, go ahead.

MEGAN RICHARDS:

I think the wording is a little bit biased. Of course it's not the mandate of ICANN per se to educate the world, that's not the point, but it is the mandate of the New gTLD Program to promote competition, consumer trust and consumer choice. And therefore to the extent we identify that competition and consumer choice has not reached beyond or as far as it could potentially have done, and for all sorts of reasons, it's not to say that it was the fault of ICANN. I think that's important not to identify faults or say, "It was a problem here," or, "The application process was

wrong,” because that’s one part and you quite clearly at the beginning mention that aspect.

The second is the effectiveness of the application program. There are two separate issues and I think we can address the work that Andrew’s done clearly by packaging it in that context. And that’s exactly what our mandate is, to look at both, and I think we can address both quite clearly and you’ve identified some of the specific issues in the application like Letters of Credit etc. So I think we can package it nicely to be positive and global and—

JONATHAN ZUCK:

And I’m not trying to disagree with you. I’m saying we as a group need to decide whether or not we are going to get into the camp of promoting applications from the Global South. We need to reach consensus on that. That’s our stand.

[STAN BESEN]:

I just want to echo what Megan said in a slightly different way. In analyzing competition, we really haven’t done any analysis at the country level, the geographic market level. If we had, it would address the question that Megan has addressed, which is has the new program affected competition in each of the separate countries. So it is within our remit to analyze the effectiveness of the program on competition, it’s just that we haven’t done it at a geographic level and that would, I think, bring the two sides of this discussion together.

JONATHAN ZUCK: Sure, but we do have the data on the number of applicants from the Global South so we know that in that measure of competition is—

[STAN BESEN]: But the measures that we've used involve [inaudible]. We've looked at—

JONATHAN ZUCK: At registrations.

[STAN BESEN]: New gTLDs' registrations and how they've affected concentration among registrants in the world as a whole. We have not done it at the individual country level. By the way, the Latin American Caribbean study in fact has done that to some degree, or could do it.

JONATHAN ZUCK: Waudu has [his hand up] and he just left. We're scheduled to take a break. Do you want to speak? Go ahead and we're going to take the south after the break because that's our... It's that application evaluation process that we need to discuss and so I want to definitely spend some time on that. [Patel], go ahead.

[PATEL]: I just want to give an example and maybe you can help me on this one. Back home in Botswana, the .bw is being run by the regulator Bokra. And Bokra offers the domain for free, but obviously as an end user I

can't register with Bokra. I have to go through an ISP and the ISP charges me about \$50 a year minimum. So there was a discussion about whether Bokra should be selling the national resource and promoting the use of it because at the moment there's like 3,000 www domains sold.

On the other side, it's like the ISPs are saying the end user is saying it's too expensive. The end user is saying it's too expensive and the ISP is saying that it's expensive because there are fewer of you online and so we have to charge \$50 minimum. The cost can go up to 2,000 bulla, which is \$200 a year depending on what other parts you get with it. Just a domain will be maybe \$50 and then the hosting is something else and if you want mail service and all of that. They're saying, "We don't have the critical mass to be able to offer to you cheaper." So I guess some of what we're discussing here is who should be selling it.

Bokra has a mandate from the Government of Botswana and from all the stakeholders I guess that judgment agreed for it to be run by Bokra and to be able to operate to every [Mobana] or to every company that is setting up in Botswana and wanting a www domain. The ISPs don't have the necessary resources to sell it as well so it's like, I don't know. I guess related to this discussion is, how do we find the middle ground to say who should be selling this?

JONATHAN ZUCK:

Who's the registry service provider for it? Who's actually resolving it? Is it Bokra? I don't understand why the ISP has any cost associated with it so it sounds like a scam to me.

[PATEL]:

Let me understand your question. The ISP gets the [inaudible]. If I were to directly go to Bokra, I'd get it for free. But because I can't go directly to Bokra as the registry doesn't deal with end users, I have to go to an ISP. And they get the domain for free from Bokra and they sell it because they are essentially selling the service that they provide with it. So I'm answering the question that you're asking in—

ANDREW MACK:

The minimum the ISP is providing DNS service, they're providing customer support, they're providing some services that have some value. \$50 seems like a lot. In the U.S. you get a domain portal, all that stuff for \$10 or something like that, but that's with an actual retail fee. But Gao's right. There's also the case that there's economies of scale with all of that stuff. Like if you guys have a call center then you have to someone sitting around a bunch of time every day and if you put 3,000 domains that's not really a very profitable enterprise.

I think this points to once again this discussion about where is the nexus of expertise. Like somehow you have to be able to layer on top of the capability—to the point that we're making the competition to the choice portion of the paper and that Stan alluded to earlier, part of the reason was why some of the gTLD operators might be able to be successful with 3,000 registrations is because they don't have to have a retail channel. They don't have to have backend operations.

They're providing just some of the business operations around the name and in Botswana it sounds like that's not true. They need to

provide end-to-end service somehow and you need to somehow either help them boot check that up or give them access to these resources elsewhere in order for them to get the same economies of scale where the lack of all these additional inputs as Stan would put it formally in terms of economics .

JONATHAN ZUCK:

We're getting a good break, 15 minutes and then we'll take this conversation right back up.

[BREAK]

I don't know the best way to structure this conversation but I want to take us back to our original set of questions about whether or not we felt the application and evaluation process was effective in serving the developing world, and how we want to go about answering that question, and, I guess, maybe separate from that, what kind of recommendations we might want to make.

In other words, we might reach the conclusion that application evaluation process wasn't a culprit necessarily in the low number of applicants but there could still be improvements that could be made, and make recommendations as Jordyn suggested around making a list of people to speak with, etc.

But I guess I'm interested in getting people's feelings about whether or not we feel like we have the information or not between these two surveys to answer the question about whether or not the application and evaluation process was effective at serving these communities. We

can't derive that just from the absence of applicants, I guess, is my point.

Who would like to go first? You're all rushing through your microphones. It's Megan.

MEGAN RICHARDS:

I think the important thing is that the application evaluation process was not the cause. You've used the word culprit. It was not the cause of low participation from let's call it the Global South. That's clear. But I think again – and I'm sorry to go back and say the same thing over and over again – but it's a question of how we coach it. I know you want— why don't we just take a vote? We should include the results of the study. We should be able to make some assessment on it and I think it's—

JONATHAN ZUCK:

That is going to be part of our report regardless so the question is how we ingest the study and represent it to answer the questions we had. So, was the application and the evaluation process effective at addressing the needs of underserved markets? Awareness was one of the issues that came up in our brainstorming. Barriers to entry, whether it was money, lack of assistance or applicant support. And then IDNs came up and I confess I don't remember what the thinking was about the—I don't know the degree to which we could direct the application evaluation process for IDMs, for example.

I want to just get us back to the questions we're trying to answer. What you're suggesting generally is another issue which is whether or not Jordyn's category of three about whether we should be trying to promote applicants from the developing world, and I think we needed to have that conversation as well. So what would you like to vote on?

MEGAN RICHARDS:

We should include the data, we should be able to make some comments about it and say that clearly the application evaluation process was not the cause of low response from the Global South. It was not the cause per se. However, the survey has clearly identified certain aspects that could be improved in our future new GTLD process. That's clear, right?

And we've seen that those are aspects that would improve also competition and consumer choice in the future. So those are all things that we can say are positive and we can identify how some aspects of the application evaluation process could also encourage and further that process in the future, is that right? That's what I see from what Andrew presents.

JONATHAN ZUCK:

Waudu.

WAUDO SIGANGA:

Thank you. I would suggest that we isolate some of the observations from this report that relate to the application process. For example, the survey talks of the complexity of the application process was a problem.

Maybe something like the applicants guidebook was written in a difficult way to read. I don't know, something like that.

Also things like the short time that the application process gave potential decision makers, I think that's something that just has to do with the application process. I know Andrew mentioned that in his study many of the decision makers mainly from Latin America, they require at least six months.

I would say that from my experience in Africa, they make us require even three years because some of the things, if you're talking about \$185,000, it's a big investment decision. It requires long-term planning and budgeting. The point I'm trying to make is that we could actually isolate some of the things that relate to the application and evaluation process and I've given those two examples.

JORDYN BUCHANAN:

I think there's two things that we can do. I think there's a very straightforward exercise that we can go through and categorize our advice into two buckets. One is what are the things we should do to make it so that if people from the Global South desire to apply, that there are not unnecessary impediments to them doing so. That's sort of the well-served question that you articulated earlier.

There's a second bucket which is if we wanted to increase participation from the Global South, above and beyond what might naturally happen, here are some other things that you could do. And then once we have those things laid out, we can have an arbitrarily long discussion and we'll see whether or not we get to a conclusion as to whether we

should advocate as to which of those buckets ICANN should undertake to correct.

But at least I think it's pretty straightforward to go ahead and identify like here are the two categories of problems and here are the things we would do to address each of those.

ANDREW MACK:

I agree with Jordyn. I think let's go ahead and have the two baskets, one of which is regardless... The facts speak for themselves. If we go for them, here are some of the things we should definitely be looking to do. We can modulate that based on the level of commitment that we have and what success looks like going forward. Then you can have a separate conversation about what is that level of commitment and what are our mile posts, but there are clearly some things that we know we need to do if we're going to go forward.

CARLOS RAUL GUTIERREZ:

We have in our mandate the analysis of the whole market and it says explicitly it should include ccTLD. So ccTLDs have not been successful. How can we expect anybody to believe that new gTLDs are going to be successful or more successful and what are the reasons that ccTLDs never grew?

We know they grew in the UK, in Germany, in Brazil but they didn't grow in the small countries so if we start with a bad example and we don't address the weakness of the bad example, which is the ccTLD, why should anybody jump into a new gTLD?

From the perspective of the application, not structural and so on, that's a fact of life. The TLDs that are used in this country produced locally, they have a low market share. With the exception of Mexico, Columbia and Brazil, all the ccTLDs have a lower market share than generic TLDs. They're a lousy example so you cannot build on that.

And if you want to help those countries, you have to analyze this structural weakness and not just push the applications forward because the local example is bad, everybody goes to GoDaddy. That's a fact of life. When Andy writes, there is no understanding of the business model. I read there is no successful, profitable business model to follow. This is a narrow, narrow approach within our mandate. Very, very narrow. I couldn't define it narrower and everything beyond that is outside of our mentor [start] nonprofit mentality or things like that. This is very, very narrow and we can produce in the short time. The examples we have in hotels in Uruguay or the South African model, we can throw a few numbers, and that's it, because the data is here. The data generic, legacy generic versus ccTLDs, it's available. We cannot say we have no data on that one.

WAUDO SIGANGA:

Sorry, yes, a quick follow-up. I would be a bit reluctant to kind of abandon the task based on the fact that ccTLDs are not doing well, maybe for two reasons: the first reason is that in many countries, ccTLDs are not run as commercial concerns.

In fact, in many countries, including my country, the ccTLD is owned by a kind of governmental agency, so that's already a different kind of

framework to the new gTLDs, many of which I expected to run commercially.

Secondly, I give you another example, the example of .us, which I think is a ccTLD. In my mind, I don't think it's doing very well, but a lot of the new gTLDs have been set up by applicants from the U.S., so I think if we're basing on the success of a ccTLD, then that example of the U.S. will not apply.

MEGAN RICHARDS:

Just to add to what Waudo and Carlos said too, and in addition, the ccTLDs by definition have a relatively limited geographic area. If I think of .mt I think it is – .mt is for Malta? Anyway, whatever Malta is. I should know it. You have a very small group – or Luxemburg – it's a very small area, but if you are .hotels, in theory, you have the entire world – at least the entire English-speaking world, or the whole world that can read .hotel – and that's what the attraction is of the new gTLDs beyond just North America or Western Europe.

So I think you're absolutely right, Waudo, it's too limited to compare just to the ccTLDs.

JONATHAN ZUCK:

In theory, .nyc, .paris, etc. are all limited markets as well, right?

UNIDENTIFIED FEMALE:

[inaudible]

JONATHAN ZUCK: I didn't say they were.

UNIDENTIFIED FEMALE: [inaudible]

JONATHAN ZUCK: But that limited market argument should apply to them, is my point.

MEGAN RICHARDS: Sorry to come back, Jonathan. .nyc has potentially, if it's a limited market – and apparently you have to be based in New York City to be registered for .nyc, – You have ten million customers, potentially, for ten million inhabitants approximately in New York City, right?

Those are just citizens, but you have businesses as well, so in theory, you have a market that is a lot bigger than Malta, right? So it's limited, of course, by definition, but the market is pretty big, no?

JORDYN BUCHANAN: On the one hand, I think Carlos' observation is really interesting. I think it would be instructive to look at these. For example, wide America study will take a look at these markets and see what's the customer behavior, why aren't these ccTLDs succeeding?

Part of it is reach, but obviously, a country like Costa Rica is [inaudible] as big as cities have their own TLDs and that we're presuming they could

be successful, it's a lot bigger than Malta. But Carlos, on the flipside, the fact that customers just go to GoDaddy may make it so that new gTLDs could be more successful in these markets, right? Because GoDaddy is integrated against – you can't buy a .cr from GoDaddy, but maybe you can buy a .hotels or something like that, or a –

UNIDENTIFIED MALE: [inaudible]

JORDYN BUCHANAN: Correct, so it's possible that the way to reach into these markets is actually through the – Calvin observed in the case of South Africa it's the opposite, that there's this – there, the ccTLD has a strong enough penetration that it has its own network of distribution and its own registrars in country, and therefore, the new gTLDs are having a hard time.

Whereas in some other countries, we will see the opposite effect, where since people just go to ICANN-accredited registrars, the new gTLDs are really where the opportunity is, because that gets back to Stan's inputs, right?

The distribution input, the retail sales input is already present in those countries, it's just in the form of the ICANN network of accredited registrars, and so their gTLDs can provide a service that the ccTLDs are – currently at least – unable to do so.

MEGAN RICHARDS:

Just a supplementary aspect to what everyone has said, and it really relates – I’m sure Stan will correct us, but there’s another aspect, and that is the competition from the legacy gTLDs, which, for the large part, are price capped, at least at the wholesale rate. Perhaps not at retail.

So this may also be a factor, that if you have the option in Costa Rica of having a possibly relatively pricy ccTLD, a relatively limited market for new gTLDs that are, let’s say, regional or domestic, or let’s say in Spanish at least, or .com, maybe for all sorts of reasons, you would just stick with .com for the moment, but that doesn’t mean that in the future, things will change.

So we have to also look a little bit further down the road. I’m not suggesting project what the market will be, but think a little bit about our aspirations for what the market would be like, or what we would like it to look like.

JORDYN BUCHANAN:

I guess this is an interesting academic conversation, I feel like, but it probably doesn’t get us closer to what you’re trying to lead us, Jonathan. So I guess I’m going to ask again, is there objection to trying to break down the problem into the two buckets that I talked about earlier?

And then it may be obvious once we do that, that we really want to say, “Oh, ICANN should do both of these,” or we’re just going to leave it out there or whatever, but it seems like at least then we could be talking about, “Here are concrete things ICANN could do,” which is slightly different from saying, “Here are concrete things ICANN should do,” but

at least we can sort of enumerate the actions ICANN could take if they wanted to allow and/or encourage participation from the Global South.

UNIDENTIFIED MALE: Hopefully, the buckets – who is it?

JONATHAN ZUCK: If someone already wants to apply from the Global South, are there impediments to their application that we should address? That's sort of one bucket, and the other bucket is, are there things we could do to encourage more people to want to apply in the first place?

One is sort of promoting the program, and the other is getting out of the way, I guess, if that makes sense. And I guess where we have a question is whether or not we're ready as a group to turn the could-dos into should-dos, but we could identify them first I think is Jordyn's point, and then decide later whether or not to convert them into should-dos, or leave them as could-dos if the community as a whole reach consensus about trying to promote a bigger applicant pool in the Global South.

Are you raising your hand, Stan? Yes, go ahead.

STAN BESEN: This is actually a logically prior question, which is, what are the impediments? And so the economists would distinguish between positive economics, that is, "Tell me the facts," and normative, which is,

“What I should do,” and you’ve broken the “What I should do” into two categories.

But I think we’re jumping a little bit ahead in terms of that we haven’t really resolved the positive economics part. Again, I’m looking at this Latin American thing. It’s not one story here. In some countries, the ccTLD is actually pretty big. In some, it’s pretty small. There’s not one story here, and I think –

JONATHAN ZUCK: There’s a bit of a story in Global’s report though in terms of things that were identified as insufficient information and things like that.

STAN BESEN: With all respect, that’s not everything that people know about the situation.

JONATHAN ZUCK: Sure.

STAN BESEN: And so there were some objective numbers about what situations – what the market shares look like in each of these countries. .xyz has very different shares in different countries. I don’t know why that is, but it’s not the same every place. And this is relevant information. We should make use of it.

JONATHAN ZUCK:

Carlos.

CARLOS RAUL GUTIERREZ:

Yes, I want to go back to the data. The Latin America study analyzes, I don't know, 12 or 15 markets or 17 markets, and they group them in the following way: two are thrown out because those are offshore tax havens, they export domain names. That's Grand Cayman and Panama, so they are not representative. From the 12 or 15 left, there are only three where the ccTLD has the biggest market share, and that's Mexico, Brazil and Colombia. Columbia because .co. So out of these 15 or 12, there are 10, 12 countries where the ccTLD – they're net importers of TLDs.

So that means that – the only point I want to make is if you want to do something there, you have to recognize that by pushing applications, you don't solve the problem that the technical – the domestic capacity for creating domestic TLDs does not exist, either because the ccTLD is weak or they don't have sales channels, or they are not online or there is no local content, period. They're net importers of GoDaddies, and if you want to solve that, you don't solve that by pushing applications to new gTLDs. That's the only point I want to make.

The support for applications for new gTLDs, in those cases, does not work, because the market is not right, because they either have no technical capabilities because they prefer GoDaddy – because it's cheaper – and that's a fact, and that has been documented, and the numbers are in the study and ICANN paid for the study, and those are hard numbers. And I guess [inaudible].

MEGAN RICHARDS: Microphone.

CARLOS RAUL GUTIERREZ I cannot recall exactly, but the Middle Eastern study is the same like Mexico, Brazil and Colombia. In the Middle East, only Turkey and Iran have healthy domestic markets, and all the other markets in the Middle East have very low participation of the ccTLDs. I don't know if they import or not because the language is different, there we have the IDNs and so on.

But this is a very clear amount of data that we have produced by ICANN comparing the Middle East with Latin America, and there is another one in the pipeline on Africa – I don't know when is it going to come out, and in my perspective, I'm not going to push for that. I'm ready for any consensus is that the applicant support for this area was late, and it was not focused on what we know now about those markets.

JONATHAN ZUCK: Just to follow up though, now that we know what we know, what would you have done different now that you're suggesting that in most of those instances, applicant support wasn't the answer?

CARLOS RAUL GUTIERREZ: If ICANN wants to do something in terms of outreach for that weakness being auction proceeds or whatever you want to do in terms of

outreach, then look for these technical capabilities and these market discontinuities that exist. Period. Focus differently in the future.

If you want to do something there, and if you have the money or let them be an importer or sign a free trade agreement for TLDs so that the prices... This is an analogy to trade economics: sign a free trade agreement in the hope that the prices of domestic TLDs and international TLDs will balance, but that is a very stupid argument.

JONATHAN ZUCK: Jordyn, go ahead.

JORDYN BUCHANAN: Yes. I have [been struck], one other thing that we may want to separate out – and this goes back to why this is a hard exercise, I think – is do we want to encourage participation by the Global South in aggregate, i.e. we want to say next round that 20% of applications came from the Global South or 50%, whatever it is, or do we want to say that the reason that we're doing this is because for some reason we think it's important that in every country or every sub-region or every sub-unit of space and territory, that there's a gTLD registry operator.

So I think you get very different answers depending on which of those two things you're trying to accomplish. If you're trying to just get an increased number of applications, then what you would do, based on what I'm hearing from Carlos is there are a bunch of countries where this is impossible, basically.

It's like you shouldn't go to Costa Rica because there's not the infrastructure there to have operators. But maybe Mexico, .mx is really successful. You go there and say, "Hey, Mexicans, you guys really like your local TLDs, let's get a bunch of them here," and let's go to Brazil and figure out the few countries where it's really viable in order to do this, and then sort of forget the rest. We need to get your 20% or 50% or something like that, but I don't know if that's useful or not. Maybe it's useful to the people in Mexico and Brazil, but maybe not, because they already have ccTLDs as alternative to gTLDs, so maybe it's less important to them. I don't know.

And so I think unless – this is why this is very hard for us to do as a CCT, because I don't think we really understand what the sort of policy objective or the sort of broader objective of having applications from the Global South is, and until you can answer that question, it's very hard to figure out what the right tactic is in order to get to the sort of end result that you're after.

WAUDO SIGANGA:

To just follow up on what Jordyn has said, I don't think really we should be prescriptive about the outcome or the goal that we're trying to come up with, like to say that we'd like an increase of 20% or something like that.

I think our task is, first, a way to [inaudible] from an observation that we have made. The observation is that the applications from the Global South were very low, so we start off with that observation. Then we

want to find out why, and we have given the task to someone who has gone out to find out why, and this brought us some answers.

So our job, I think, should be to see ways in which we can attend to those answers, but not necessarily worried about whether there'll be a different outcome next time or not, but let's attend to those answers so that, for example, if we say that the application process was too complicated, how can we make it simpler for these people?

If we say the term was short, how can we make it longer? Then at least we should have reduced some of the – we'll have mitigated some of the problems that [inaudible] but it's not a guarantee that there's going to be a prescriptive amount of something that we can measure at the end. But I think we just have to have as our objective the task or the duty to make sure that we have removed those barriers that have been identified.

JONATHAN ZUCK:

That makes sense in a way. I guess the challenge for us is that, ideally, more often than not, we are going to try to measure a problem, make recommendations to address that problem, and suggest what should be measured in the future to judge the success of those recommendations.

That's the task at hand, so if we agree that the low number of applicants from the Global South is in fact a problem – and I don't know that we agree on that, but if we agree that it is, then I don't know that we should be afraid of saying we need to look at that number in the future to judge the value of the recommendations we're making, because we are stating that that's in fact the issue that we're trying to address.

To Jordyn's point, by identifying it as something that's motivating a recommendation, we're suggesting that the low number of applications from the Global South is a problem worth addressing, so it therefore has to be a problem worth measuring then in the future, to see whether or not our recommendations addressed that problem.

Jordyn's point, I think, is we need to be careful about whether or not that's the right statistic we want people looking at. In other words, it might be that straight up registration numbers in the Global South is a more important figure, concentration decreases in the Global South is an important figure.

In other words, has more choice or competition been created by the applicants from the Global North? If those are in fact the more important issues, we might conclude that the number of applicants from the Global South is not the issue with which we're concerned. So if we say that it is, we have to be willing to then say that it's what we're measuring in the future to see if we've addressed the problem. Otherwise, we're saying something else is the problem. We don't want to just make recommendations because they feel good to make. I guess that's all I'm trying to get to.

WAUDO SIGANGA:

Okay. I think what you're trying to look at here is that if we say that there was a problem why the application – whether or why the applicants were few, and we have interviewed them and they have told us the reasons why they perhaps didn't apply.

If we come up with recommendations about what should be done, we expect the applications probably to improve, but what I was saying is that maybe we should not be so prescriptive as to give percentages, but we would expect and improvement because we have to attend to that problem that the applications are few.

So we could leave it open ended. We would make the recommendations, but we don't have the prescriptive goals.

JONATHAN ZUCK: Right, but as Jordyn suggests, we could focus the entire outreach effort on Mexico, would be the most effective way to address that statistic.

UNIDENTIFIED MALE: [inaudible]

JONATHAN ZUCK: Mexico, Colombia, and Brazil, right?

UNIDENTIFIED MALE: Wherever the infrastructure exists, to make it easy to hit your goals.

JONATHAN ZUCK: Right. Go ahead, Jordyn.

JORDYN BUCHANAN:

I was just thinking about this a little, and Jonathan, you gave a couple of other sort of alternative approaches to say – so I think what’s happening here is we all saw the applications come in, and looked and said, “Huh, that’s a really small number of applications from the Global South. That’s not what we expected.”

And I think we should have a hypothesis as to why that’s bad. It could just be like we want to have people in the Global South have as many and as good a choices as people in the Global North have. And if that’s the case, we probably don’t care as much where the registry operators are. We care a lot more about things like number of registrations and the concentration, whatever it is. But there are at least two hypotheses, I think, that we could say would make sense to try to address as the low number of applications from the Global South.

And the first of those is that there’s some affinity or there’s some reason why you get better service or better cultural attention, whatever. So for some reason, a local provider would do a better job than a faraway provider, and I think we could think about whether that’s true and whether we want to somehow overcome that.

And then there’s a second one, which is just to say, it seems implausible to us that the Global North has a monopoly on innovative and good ideas, and the fact that there were so few applications from the Global South is indicative that for some reason, there was friction in place that prevented the sort of smart people and entrepreneurs and innovators in the Global South from –

JONATHAN ZUCK: Wealthy people [inaudible]

JORDYN BUCHANAN: From being able to participate in this process. And just statistically, it's implausible that so much of the applications would have come from the global market if the playing field was level. So somehow, we should try to overcome it.

I don't think we'd ever be able to measure that hypothesis, but at least we could go in and say that's our statement, we just don't think it makes sense that the Global North should have a monopoly on good ideas with regards to the expansion of the DNS.

JONATHAN ZUCK: Provided that there are actually any good ideas.

MEGAN RICHARDS: [inaudible]

UNIDENTIFIED MALE: The thing is we have data, and we know that these smaller, inefficient countries charge – ccTLDs of these smaller, inefficient markets charge ten times what legacy TLDs or new TLDs cost. We have the numbers, they are in the document, and we have – we are so starved for data in other issues. In this one, we have the data, and this goes back – I don't know, Stan might have a better explanation.

This is the Internet, there are no duties on TLDs from the North, so it's tradable, it's a global product, and if you don't have the scale locally, you will end up being a net importer, and the competition will come from Google competing with GoDaddy or .com or Amazon against Google, and then we will have a very nice, long discussion with the public.

JONATHAN ZUCK:

Right. Stan?

STAN BESEN:

I think you guys have actually made the critical distinctions we should try to keep in mind. One is, do we care about the consumers in these countries getting what they want? And the other is, do we care about the location of the producers? It's the point that you made before.

I live in the state of Maryland. We could try to promote the Maryland wine industry. You observe lots of imports from Virginia, California, Argentina, France, Italy. Frankly, I don't think promoting the Maryland wine industry is a great idea. Any of you who tried Maryland wine would, I think, undoubtedly agree with me.

But whatever you feel about it, these are two different questions. We have data. The data we have on the behavior of registrants in these countries. So this report says the most successful new gTLD is .xyz, and I guess different amounts in different countries.

But we could ask the question, how much of the growth in registrations in these various countries over a period of time is accounted for by the

new gTLDs, and which ones they are. It's analogous to what we're saying for the world as a whole.

We said for the world as a whole, the new guys captured about half of the increment. We could do exactly the same thing for each of these countries. It's going to probably look different. But that's the question of how well the consumers are being served, at least as reflected in their behavior.

And that's a separate question from the question of, "Do we care where the producers are located?" And we have to keep those two things separate.

ANDREW MACK:

Without getting into the issue of wine or [inaudible] or anything else like that, which I know is its own separate bowl of wax, I think that there are some nice analogies in that, because you're really talking about a market awareness thing, of people who know about wine, know about potentially Virginia wine, Maryland wine, the brands around them.

There is a certain amount of infrastructure that goes into creating wine, not just in terms of making the marketing reputation, but also in terms of making that wine good and better over the course of time. So for me, yes, you're talking about the [inaudible] production side and the consumer side.

If we could provide consumer choice in Nairobi just by having six new offices for people from the Global North who are trying to establish supply chain, that would provide potentially more choices for the

potential registrants in Nairobi, but we're also missing some of the economic opportunities for the local industry and to build up –

And given that people in the Global North don't have a monopoly on good ideas, I do think that we have some – as the community – this is my own personal bias, but I think we have, as the community, some real interest in seeing enough infrastructure present so that these good ideas can percolate to the top.

I'm not sure if the application process is the only – it's certainly not the only measure of that. It may not even be the best measure of that, and whether it's getting people into the process versus getting them through the process and launching a new gTLD, [whether] that's the best one, it's hard for me to say, but I think more people having a way with this, more people having knowledge of it, access to it and some sort of connection to it is probably a marker of success that would be worthwhile for the community broadly [inaudible]. Thank you.

JONATHAN ZUCK: I think it's relatively –

UNIDENTIFIED MALE: [inaudible]

JONATHAN ZUCK: They just love votes over there in Europe, don't they?

UNIDENTIFIED MALE: [inaudible]

UNIDENTIFIED FEMALE: I should be careful [inaudible]

UNIDENTIFIED MALE: [inaudible]

JONATHAN ZUCK: Exactly. Suddenly, David Taylor storms out of the room.

UNIDENTIFIED MALE: [inaudible] room.

JONATHAN ZUCK: It's fairly easy to go through the exercise that Jordyn has outlined, and I think we can do that. And I may ask Carlos, Carlton, Waudu, who've volunteered to go through that categorization and taxonomy between those two things, like what appear to be the application evaluation specific impediments that had a negative influence on the applicant pool or potential negative influence on the applicant pool, and then the list of things that came out of Andrew's report that suggest other things that we might do if we were trying to proactively encourage greater participation, even a better than level playing field, in other words, because we want to see better representation.

And then we can push off a little bit the conversation about whether or not we want to take a stand on that. We will present it in either case, the ideas and – but making the decisions about whether or not that should be a priority might be something that we'll leave for the community, as Jordyn suggests, or we may decide that it's something we want to fall on our swords on ourselves.

And that's why there's still some disagreement, I think, in the room. Because it's not clear to me that a wealthy company in Latin America deciding to go find an RSP, registry service provider in the north to run a gTLD for me is building up the local capacity as you describe it. It's not creating registrars, it's not creating anything, it's really just another form of speculation. There's nothing particularly unique about that person being in the Global South.

CARLOS RAUL GUTIERREZ: If I want to take one message from Andy's report or I want to step back and mention two very successful applications from Brazil. Brazil is a big market and it's the biggest ccTLD in terms of the domestic market after Germany in the world.

If I look at .rio or .bradesco, the bank, those were very two clear strategies. Bradesco has been rolling out already for all its branches, the Bradesco top-level domain. Rio came just right on the Olympics and so on, else. If we take these very good examples away and leave Panama and Grand Cayman on the side and Columbia is a worldwide CO, is a worldwide TLD, we have serious problems of economy subscale for the TLD. That puts me back at the very early discussions that the TLD is just

an input which is less than 10% or 20% of the whole value chain of having a digital presence in the web. That's it.

Pointing on the applications doesn't make sense because what people want is what is the whole cost of me-company, putting my whole customer experience in the digital world. I'm not ready to spend so much money just for the TLDs.

JONATHAN ZUCK: By that, I'm going to get it wrong but there's a .abogado for lawyer?

UNIDENTIFIED MALE: Abogado.

UNIDENTIFIED MALE: Abogado.

JONATHAN ZUCK: Lawyer. For lawyer, right? That was a registry in the Global North that created it. The market for which was in the Global South.

What is it that would have precluded regardless of the infrastructure, anything else because it's sold through GoDaddy. What is it that precluded someone in the Global South regardless of how the local ccTLD was doing because it's not local, it's that entire region? Why was it an addressable market from somewhere between the Global North and not an addressable market from some company in the Global South?

CARLOS RAUL GUTIERREZ: Because there was no backend provider in the South Global.

JONATHAN ZUCK: The same backend provider could have done it though. That's the point. If there was a market point, there's a market point regardless of which wealthy person put up the \$500,000 to do it.

CARLOS RAUL GUTIERREZ: Let me give you the other example that we get to hear and every meeting, ICANN meeting, there was this lot application which is not a new gTLD is an application, a previous application. Lot four, to get lot recognized like Catalonia or BRZ or BZH and so on. By the time they got there, nobody wanted to carry. It's .black. They went to GoDaddy and the GoDaddy says, "I'm not interested." So, the backend provider is .mx which is the Mexican ccTLD but they have no sales channel for Latin America. Every time we go into a meeting, we have the .black people, Tony Harris whining. I got a new TLD. Now, the rules have changed. Nobody wants to carry my TLD. What?

Even if you have this very attractive three-letter code approved by ICANN and it's a TLD and it should be recognized, they don't have a safe channel for it, a regional sales channel that is ready to support this marketing effort.

JONATHAN ZUCK: Tony Harris shouldn't have that. He shouldn't have a regional sales channel.

CARLOS RAUL GUTIERREZ: Yes, but the guy who applied is sitting in Germany and they were thinking, "Okay, we have the sales channel and we can push it here." They had a business plan. They had a plan how to market that.

WAUDO SIGANGA: Just to answer your question, I think, and to add to what this thing, I think this people in the Global South who could have registered that or who could have applied for that gTLD. The reason that some of the things that have come out from the study done by Andrew, for example, maybe some of them didn't have the information in the first place about the possibility.

Then also the context in each day will end up Global South was such that they didn't have access to the possibility of that business model. I think that some of those answers that but especially the information, the knowledge that there was this opportunity was not available to them like to this person in Germany or wherever.

JONATHAN ZUCK: Which is my point, Waudo. That would suggest that the application process could have contributed to that application coming from the Global South regardless of what the infrastructure capabilities were of [inaudible]. That's a good point.

WAUDO SIGANGA: I don't think so much it was infrastructure problem. Everybody is a businessperson. If you notice a business idea somewhere that will work, a businessperson will invest in it. The first thing is for the information to reach the businessperson and then the businessperson to digest it and be convinced that it's a business idea. They will invest in it.

What was lacking in that kind of situation, from my perspective, is that the potential businesspeople in the Global South or in Latin America or wherever, it's just so they didn't get that information and they didn't get it packaged in such a way that they could evaluate it and see there's a potential business opportunity here. Otherwise, you'd have multiple applications for that name.

UNIDENTIFIED MALE: I just have an observation.

JONATHAN ZUCK: [inaudible]

DAVID TAYLOR: Jonathan thinks I've left the room apparently.

JONATHAN ZUCK: Skipping over, David Taylor's in D.C., right? Didn't that start in D.C.?

DAVID TAYLOR: I've been sending you skipping over [inaudible].

JONATHAN ZUCK: Yeah. Stan, go ahead.

STAN BESEN: What he said.

DAVID TAYLOR: I'm going to come back to your .abogado. It's an interesting example but I think picking up on all the points, it obviously didn't come from Germany. The .abogado is a U.S. application, top-level domain name holding. Primary contact is Michael Salazar who, some of you may know, is the former gTLD Program Director of ICANN.

Obviously, when you look at these things, you have to go into the detail and see why. It's clear there is an opportunity. Smart people, knowing what's going on, are going for something like .abogado. Should they be going for .abogado not so many in the region, that's where I'd argue. We'd look at the [inaudible] they went for [.hotels] and they're doing language and that came from Latin America. We've got good examples and use the examples we need to be looking at and seeing comparing one with the other.

ANDREW MACK: I think that part of what we're talking about is that this equilibrium of information. Even when you're talking about the .abogados, we're

talking about somebody who's pretty much of an insider. One of our questions is do we want to broaden the footprint of the ICANN world to include more people who are not insiders?

The feedback that we got was very, very clear. Most of the people looked at the information that they saw and they said that "This is a difficult process for me to understand. I'm not sure if it's worth the investment to get deep enough involved to be able to evaluate the opportunity."

I do think that as a community, our insularity can be a weakness for us both politically and just developmentally in terms of what's valuable. We've committed ourselves to providing more opportunity for people both as consumers and potentially as economic actors. I think that's a positive good. That's something that I think that generally the community seems to want.

By just having more insiders being able to work with each other, whether North or South, I think that that's not a good enough measure of our success. It would be interesting for me to see whether we could take these examples that you mentioned, [inaudible] .abogado and things like that and broaden them out so that more people knew about more possibilities in this sense and widen that and then we see where we are. That's all.

STAN BESEN:

This is actually a very old argument. In the international trade literature, this is about instant industries. We have really good stuff we're importing but somehow or other, we think there's an advantage to

having an indigenous industry produce the product. That may work some of the time. It may turn out that there's no certain amount of jumpstarting for the indigenous industry. But it doesn't always work out. It might turn out that I'm better off drinking wine from Argentina or Italy and not trying to protect the Maryland wine industry. There's more indigenous production.

This is not free. What you're suggesting, it's possible but after a certain amount of additional sources or to go to the process that the Maryland wine industry would become competitive with Italy or France. It's possible it won't and it's possible that the people in Maryland would be better off continuing to import wine from outside. It's possible that the people in Costa Rica are better off buying their services from registries located in New York or Paris or Brazil.

I think it's part of a doctrinaire about this. I think Jordyn used to work frictions before. It's possible there may be frictions that if they're eliminated, the problem would go away and there would be a really strong domestic industry. You got to be a little cautious about that. Those don't always work out well. If in fact, in the process, you made consumers were soft, you haven't done anyone a real service.

CARLOS RAUL GUTIERREZ:

I personally think that the location of an applicant or the location of this kind of services is very important. I will just give an example maybe that if, for example, what went round that .nyc was registered by someone who is a resident and studied in Russia, I think there will be a difference in the number of people applying for domains or for that gTLD than if

it's known that it's somebody who's a resident in New York, just my postulation. I think that the location of what's happening is important.

MEGAN RICHARDS: Sorry, it's Megan again. Waudo, can I just ask a question because we just had the case of .abogado which was registered by someone from the U.S. The .gmbh which is the German's language use of .limited, if you like, was registered also by an American company. I don't know if it's been very successful or not but perhaps it has. I don't think that's so relevant as to the fact that the TLD exists.

WAUDO SIGANGA: We would delegate this to a U.S. company but there were three applications.

MEGAN RICHARDS: I think there were but the one that were at the end was the U.S. company. It's true there were a five or six actually applicants. The one who went out was a U.S. company. That's almost beside the point.

WAUDO SIGANGA: I think another example why location matters a lot is something I've been discussing when we talked about registries in general and even backend providers. In some of these businesses, you have to set out contractual and legal agreements and obligations. If you have to do cross-border, you have to do jurisdictional cross-border activities, it's

much more difficult than it is within boarder. That's another reason why it's important where the business is located.

ANDREW MACK:

Two observations just to throw out there related- one of them related to what Waudo just said. We talked a little bit about critical mass and the cost that comes from having critical mass. I think that that would suggest to me that having some geographical- building up geographical footprints in the Global South might have a benefit to the marketplace longer term.

The second thing is to Stan's point about promotion versus the withdrawal of barriers. Promoting Virginia wine or Maryland wine is very, very different than taking away barriers for people to learn about Virginia wine or Maryland wine. I would certainly argue that the study that we did suggests some areas where we could take away friction in terms of the next round of the process if we decide to do so assuming that we have the commitment to the Global South which is entirely different than saying we're going to massively invest in promoting applications. I think that those are different things and I think more knowledge of wine is good.

JONATHAN ZUCK:

We should do a flight of wines sometimes. We can have a commitment to equality somehow that would lead to improvements and eliminates the friction which is different than having a commitment to the Global South. Improving the application process just so to remove barriers doesn't even require a commitment I guess. Jordyn, go ahead.

JORDYN BUCHANAN:

I agree with your point and just to build on what Andrew just said, I feel like there's a big difference I think between the promotion of the Maryland wine industry versus what is instead we're looking again at the other way around and the Maryland wine industry had convinced the legislature to pass a law so that there was- in order to sell wine in Maryland you have to have these super fancy labels that no one outside of Maryland knew how to produce and the courts have to be put in by hand, by people in Maryland.

Effectively, it was very difficult for Argentina to sell wine in Maryland. That would probably I think Stan probably, I assumed, would think that wouldn't be very good for the consumers in Maryland if they effectively only had access to Maryland wine and not access to the global marketplace.

I think what we're trying to do here is just make sure there aren't any of these weird regulations that are effectively keeping people out who might otherwise be worthy, useful competitors.

STAN BESEN:

Unfortunately, it's often the case that looks on the one hand that eliminating the friction often turns out to be protection for the indigenous industry. You got to be careful because you do, at the end of the day, care about consumer. At the end of the day, you care about consumers being well off. If it turns out they're better served by people elsewhere, then you shouldn't have objected it assuming you've eliminated the frictions.

CARLOS RAUL GUTIERREZ: Unless you can prove that there is lesser views with the ccTLDs and then we have drew into that. The numbers for the benefit, we have them. We have the data that the consumer benefit in terms of the cost of TLD shows that path.

JORDYN BUCHANAN: On the negative side of the ledger for the ccTLD is this .tk, unfortunately.

DAVID TAYLOR: I was going to make a quirk about wine and .wine there but I think I best keep clear of that but I will mention France because that's somehow linked to wine. Actually, it is a point and it is the best [set] point, I think that language is a barrier and language is a big issue for Latin America. If you're going to go to a registry service provider, whether it's a Verisign and affiliates or a Neustar, whatever, you want them to speak be the same language and you have a preference to go to somebody who speaks the same language.

I think there is an aspect there of a local registry service provider in South America could well be popular for people in South America who are having bright ideas to create new gTLDs. I think maybe a metric we can look at that on is looking at AFNIC who are the registry service provider and offer these services outside .fr to other TLDs and how many French TLDs went with AFNIC and how many French TLDs went

elsewhere. We got a small metric there. We could do the same with Nominet in UK except that's a little bit more complex because it's –

JONATHAN ZUCK:

Or even how many French speaking applicants went with AFNIC might be even more interesting. Suppose the French which is nationalistic, are there French speaking countries that chose them. Because certainly, I'm sure Verisign and affiliates and others all have Spanish and French speaking staff. It's not like you'd call on the phone and there's no way to get your language. I'm sure, with those, [inaudible].

ANDREW MACK:

It is interesting because we went through this. We supported, our firm supported, I know it's seven or eight different dot somethings. We were surprised by the lack of language support, lack of documentation, legal documentation, marketing support in languages outside of English. It does create this negative swirl where people who are outside the loop stay outside the loop because the internal rate of return of translating things is higher, is more expensive.

I think what we want to be careful of in terms of our not creating barriers is also to recognize the barriers that exist currently because a lot of parts of the Global South are or at least feel themselves or perceive themselves to be outside of the mainstream in this space.

We don't want to, by doing nothing, lock in that level of digital divide. I think what we're trying to do is open up the opportunity space without showing any kind of a silly preference but we need to recognize in fact

that a lot of the stuff, a lot of the documentation just isn't in anything besides English.

JORDYN BUCHANAN:

My initial reaction to your statement, Jonathan, was to be pretty skeptical. You could call up Verisign and speak to them in French and they would have something useful to say. I think when we were setting up our support operations, for example, for the Google registry, I basically went and talked to some registrars and we're like, in other countries including Japan, for example, where we launched our first few TLD and we said, "Hey, do we need to have support in any language other than English?" At least the existing registrars basically said, "Oh, no. Don't worry about it. We deal with Verisign already and they only talk to us in English." Therefore, we already have to have trained staff that deals in English.

Now that I think we have this problem of not having registrars in the Global South, this is self-reinforcing. If the major registries don't provide support in any language other than English, then you walk in an environment where it's very difficult to onboard new registrars, for example, in these regions. You end up with situations like Costa Rica where you've got GoDaddy which is they would probably translate their site or something like that. They're not investing a lot probably in the Costa Rican market per se. They're just using the fact that the Internet is a global thing in order to reach those folks whereas if Verisign actually had a standard language health and support, maybe you'll get a bunch of registrars running all throughout Latin America to provide local competition with GoDaddy.

This fact that most of the registry operators tend to be Anglophone is potentially does have a big downstream. It would be interesting to look at like AFNIC and the JPRS provide registry services standards in Japan that they tend to gravitate towards local providers.

There's not a lot of provider. China, they're clearly with a very strong affinity. I feel like a lot of the Chinese registry operators, when with Chinese providers, there's other regulatory things going on in China that may contort that. But it'll be interesting to look at places where there are applicants from places where we don't think English is a everyday working language and see whether or not there is an affinity towards backend providers in that same language.

ANDREW MACK:

The broader point that people are making that this is very much of an Anglophone-oriented space still I think it's true. I think that that does have some flow through effects on the ability of people to see themselves as drivers in the market.

JONATHAN ZUCK:

The New gTLD Program the vector to addressing that problem though or is it something else because you're talking about registry service providers, for example, which the New gTLD Program isn't necessarily design to create.

ANDREW MACK:

I thought that was only if you're having a [inaudible].

JONATHAN ZUCK: That's what it says when you come in? Oh.

MEGAN RICHARDS: Sorry to interrupt but not specifically to the case of the registrars and backend providers in other areas but one of the issues in expounding the gTLD market was also to intro IDMs and to have new languages and attract people from- let's not even call it Global South, let's call it all non-Western European North American users. [Wasps], is that what you call them? Okay.

JONATHAN ZUCK: [inaudible]

MEGAN RICHARDS: Yes, exactly. What we call WEOG in UN talks, you know what WEOG is? Western European and other group. We can call them WEOGs. That's part of the point. This is not what Andrew was looking at. Somewhere, we have data from the IDN new gTLDs from the Chinese scripts, the Indian scripts and others, don't we?

We have numbers on the numbers of new gTLDs that were also in IDNs.
We have numbers relating to –

UNIDENTIFIED MALE: [inaudible]

MEGAN RICHARD: Exactly. They weren't insignificant. They weren't dominant but there were certainly a relatively good number. Could have been better.

[Promised and] agreed, put it in the registry.

JONATHAN ZUCK: [inaudible]

DAVID TAYLOR: Thank you, Jonathan. I'm keeping the theme of language because I think it obviously is really important. I was looking down the Applicant Guidebook itself which is in one, two, three, four, five six languages. It's very good that it's in more than English and there's five languages there. I'm not sure we can all name which the languages are. If you want to, they're Arabic, Chinese, French, Russian and Spanish. Obviously, our German counterparts never had it in German and there's no applications from Germany on the cTNG.

It shows that you don't have it in Portuguese. You don't have it in Turkish. You don't have it many of these languages and that does have an effect. I can speak from personal experience on that working with a potential Turkish applicant and working there as assisting them and their law firm because it was in English so I'm trying to help them understand it via their lawyer there.

Imagine the cost that for that applicant who's paying my fees and the local lawyer fees to try and get an understanding of the process and

then applications. There is a cost barrier there by definition which is higher than anybody who's just speaking English and doing this with America.

JONATHAN ZUCK:

It wasn't really English either but... You tend to do [reading] the Applicant Guidebook. Other points there. That sounds like a potential recommendation then, is translation of more than the six standard ICANN languages? I don't know where that begins or ends.

CARLOS RAUL GUTIERREZ:

I want to make a comment that once the customer, the registrant has registered or chosen the name they want to register, then the rest of the business is being done by his website developer, branding consultant and so on. They just go once into the GoDaddy, choose the name and then GoDaddy has a platform called the GoDaddy Pro or something like that and they take over and those are people who speak English and can live in the website. Just translating is not the issue. Just all the decisions of all value-added products are being done by people who speak English who are developers. The website cost only \$10 but then the website developer hosting security and so on start spending \$30 a month on a platform especially the sign for these technical people in English.

Also, the same defense channel they have for Latin America are designers, developers, managers, IT managers to speak English. Just this very first step of buying the domain name, we can discuss about translation. After that, the whole technical world speaks the language in

Latin America speaks English and it doesn't make any sense to start translating all the offerings that the reseller has.

MEGAN RICHARDS:

Andrew perhaps had a more useful comment. What I'm going to suggest, you've identified the small group to work on this, have you not? That was my understanding. Would it not be a better use of our time to see the written proposal that they make and then we can comment on it because it's very interesting to have this discussion but I have the feeling that we have relatively limited time. We have a lot of things to go. You're the boss, of course. It seems to me that if we have the written document or something on paper, we would have a better ability to attack it or [inaudible].

JONATHAN ZUCK:

That's probably the reason why. I guess I wanted to get to what our intentions were rather than have people write something and then decide our intentions were otherwise. That's all. That's really the conversations I was trying to have about what kind of a position we wanted to take.

Actually, developing it is still the task of these three folks that volunteered. What sort of position we were taking is I guess what I was trying to get at?

WAUDO SIGANGA:

Excuse me, Chair. I thought I was just called just to fill two baskets not to produce the document.

JONATHAN ZUCK: Let's talk after the meeting. That's the first stage of the [Inaudible].

MARGIE MILAM: I was going to volunteer some staff to help you so you can maybe if it's of use to you plus the staff member can get together and talk. We'll take notes. We'll develop something that can track your conversation if that would help you.

MEGAN RICHARDS: Even the bullet points.

MARGIE MILAM: Right. That's what I'm thinking. The bullet points. Right.

JONATHAN ZUCK: No, it's just the template. Excluding what we've been doing on the templates for the other things, developing that. That's what I mean. What are our findings and what are our recommendations? It's just that the recommendations fall into two categories.

ANDREW MACK: Just a quick comment going back to language. First one was yes, there are an awful lot of people in the Latin America and other technical communities that speak English. However, a lot of the decision makers still default to their own national language. It's clear that some of the

materials the they needed to make decisions wasn't reaching them in the language that they most chose. That strikes me as an easy fix.

The second one is the clarity of the language. There's a lot of the stuff that came through. As Jonathan alluded to, if it's really hard to read in English, it's really hard to read in translated English too. It's probably harder to read in translated English. If it's gobbledygook and it's the first language, the more it gets translated down. Simplifying that language, making it more accessible for everybody but especially with an eye toward reaching more people to put in the public and a decision-making community, I think that's got to be on our list. Thank you.

[END OF TRANSCRIPTION]