

Consumer Metrics Project Discussion

TRANSCRIPTION

Tuesday 14 February 2012 at 2000 UTC

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Participants on the Call:

Rosemary Sinclair - NCSG / WG Chair

Cheryl Langdon-Orr - ALAC

Steve delBianco - CBUC

Tobias Mahler - Individual

Olivier Crepin Leblond - ALAC

Carlos Aguirre - NCA

John Berard - CBUC

Evan Leibovitch - ALAC

ICANN Staff:

Julie Hedlund

Paul Redmond

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Nathalie Peregrine

Apology:

Jonathan Zuck - IPC

Coordinator: I'd like to remind all participants this conference is being recorded. If you have any objections, you may disconnect at this time. You may begin.

Gisella Gruber-White: Thank you. Good morning, good afternoon, good evening to everyone.
On today's (session) Consumer Trust and Consumer Choice Drafting Team

call on Tuesday the 14th of February we have Olivier Crepin-LeBlond, Cheryl Langdon-Orr, (Pablo Sagria), (Tobia Smila), Steve DelBianco, Rosemary Sinclair, Evan Leibovitch. From staff we have Paul Redmond, Berry Cobb, Julie Hedlund and myself Gisella Gruber.

I hope I haven't left anyone off the list. We have apologies noted today from (Jonathan Zuke). And if I could also please remind everyone to state their names when speaking for transcript purposes. Thank you. Over to you Rosemary.

Rosemary Sinclair: Thanks Gisella. We've got our agenda before us. Roll call is done. The only action item that we've got is the one on diversity. I spoke to my colleagues but as I said, the person who's very focused on this is not back until the end of February.

So I went and just had a look through some economic sites to see if I could understand better this concept. And I shot that one around to everybody. My own view at the moment is that getting into the statistics on measuring diversity in competitive markets is probably a bridge too far for our purposes. It's quite a complicated field and I'm just not sure we need to go there.

When I looked at the literature, what the diversity measure looks at is the difference in the sorts of companies that come into a market on the supply side, the range of products that are offered in that market and the diversity of consumers in the broader sense in the market on the demand side.

And when I thought about that I thought that we've covered quite a bit of that understanding the registrars and registry operators. We've got a few measures around that area. The whole purpose of the gTLD program was to improve diversity in the language of this context that I'm currently discussing. So as we see the new gTLDs emerge we could measure that in terms of the numbers of sorts of gTLDs that do emerge.

And on the other side, I'm not sure how we would measure diversity among the consumers except to say that we already have quite a diverse consumer community for domain names already and I wouldn't have expected that to change.

So that's the background that I've got so far. And it's a question I guess for this group. Now that we've got at least that much information, how far do we want to take it in our present piece of work which is directed to getting our material out for public comment and our presentation (in) Costa Rica?

Me? Hello.

Woman: Sorry. We will look into that Rosemary. Sorry.

Rosemary Sinclair: Okay. And so how far do we want to take it? We've got enough I think to now say something in our discussion paper and presentation and whether we want to then get into the matter of statistical measures for this issue - this metric. I'm not sure that, as I say, that seemed a bit too far for us.

Steve DelBianco: Rosemary, I'd like to get in on that.

Rosemary Sinclair: Yes. Go ahead Steve.

Steve DelBianco: Okay. Thanks. This is Steve. On the bottom of Page 10, we kind of explored this extensively last week.

Rosemary Sinclair: Yes.

Steve DelBianco: And I know you're on the part where figuring out whether we can come up with a single statistical measure of diversity.

Rosemary Sinclair: Yes.

Steve DelBianco: But on last week at the bottom of Page 10 we did sort of describe the measure of diversity - geographic diversity.

Rosemary Sinclair: Yes.

Steve DelBianco: And only to registrants. We didn't do users.

Rosemary Sinclair: Yes.

Steve DelBianco: We talked about where it would come from, zone and Whois data. And we said that the difficult was at the level of doubtful because we needed a measure of geographic diversity. So all that plays right into what you said.

Rosemary Sinclair: Yes.

Steve DelBianco: But even if we don't come up with a single magical measure of diversity, a zero to one index or whatever it is...

Rosemary Sinclair: Yes.

Steve DelBianco: ...it looked like we put in there that the target we said was the diversity should be greater than it was in legacy TLDs.

Rosemary Sinclair: Yes.

Steve DelBianco: And then it should increase over time say from year two to year three.

Rosemary Sinclair: Yes.

Steve DelBianco: I find myself reading that thinking yes, this sounds pretty sensible. You know, if the domain name system expansion brings more people from more parts of the world in to register domain names, we probably will have done something to further the cause of consumer choice.

So I found that - I feel like that little row at the bottom of Page 10 looks pretty reasonable. All that about it is difficult is how one measures diversity. And so if we lack a single statistical measure, is it worth putting it to the community to say we welcome suggestions on an index valuation or other statistical measure of diversity. So instead of us taking the row out, we find a way of asking for input from the greater community. Thank you.

Rosemary Sinclair: Any other thoughts on - look, I can see hands. Now I've got - I can see ticks now. So that's a tick from Cheryl and a tick from Olivier and a tick from Rosemary. Are there any other comments on that from Steve? I think that's a good way forward myself. Not seeing any hands.

Steve, I think your suggestion is good that we leave that there and see if there's someone on the community that has a thought about a single measure. Otherwise I guess it's a narrative where we're noting the various countries that people are coming from.

John Berard: So this is John Berard. May I jump in?

Rosemary Sinclair: Oh sure John.

John Berard: So do we want to ask for the designation of a metric that already does or will exist or do we want to say either that does or can be created? Because creating additional data collection may be seen by some as unnecessary or burdensome. And I guess Steve back on those two points might be helpful from the community.

Steve DelBianco: John, it's Steve if I might. We suggested that the source of the data was zone and Whois data. And the statistical measure that we spoke of is some sort of an index value. It's weighted by the quantity of registrants from different geographical regions. And presumably that's a formula.

So it's not a data collection job once we have a statistical measure. The data collection job is to say that what's the quantity of registrants we have from every country in the world. And that would be an automated pass through the thick Whois zone data.

You'd have to disregard as our not says any registration using a privacy and proxy would have to be discarded because it would not provide meaningful data. We're on the assumption that this could be done with an automated pass of the zones. And it's a separate matter as to how one takes that data and massages it into a single index if one could be discovered.

If it can't, you'd have to do what Rosemary said. You'd have a narrative that says that before the expansion there was representation from all countries of the world in the legacy TLDs. After expansion there's a greater amount of representation from all the countries in the world. It won't be a very interesting story to tell without a statistical measure. Thanks.

John Berard: Thanks Steve.

Rosemary Sinclair: Yes. And I guess the philosophy that we've adopted John is to try to use existing sources of data and existing reporting. So not to create extra layers of activities for people but rather to source the data and look at it and see what it means.

John Berard: No, and I agree. I'm onboard with that being the appropriate best - the best way to go - the best first step forward.

Rosemary Sinclair: Yes. Yes. And there are a couple of areas in our suggested tables of measures that we've suggested need a survey. And it will be just up to discussion and priorities whether those go forward but only a couple, so.

All right. Any more discussion on that point? Evan.

Evan Leibovitch: Hi. It's Evan. I got my hand up.

Rosemary Sinclair: Yes.

((Crosstalk))

Evan Leibovitch: Oh.

Rosemary Sinclair: Yes. Sorry, go ahead. Sorry.

Evan Leibovitch: Oh, sorry. There's also one possible other metric to do in the - are we still talking about the geographical diversity component?

Rosemary Sinclair: Yes we are.

Evan Leibovitch: Okay. There's one other thing. If a community application comes in that says as part of our community application we are going to limit ourselves to this geographic distribution, so let's say it's a city TLD or geographic TLD or a cultural TLD where most of the cultural resides in a well-defined geographic area. I mean that's also a metric that can be used by looking at the policies of the registries themselves and the application they put forward.

Is their application - is their target market constrained geographically? If somebody's putting forward to, you know, .whales, you know, maybe it's open to ex-patriots. But if the - if a community application says we're only accepting registrants who have a proof of residency in a specific area, that's also a measure of geographic diversity.

I'm just saying that's part of this that's not in - necessarily in zone and Whois data. It's part of the policy of the registry.

Rosemary Sinclair: Yes. Yes. So to capture that, we would then have to include as a source of data registry policy.

Evan Leibovitch: I'm just suggesting that might be worthwhile.

Rosemary Sinclair: Are there any thoughts on that? Steve.

Steve DelBianco: Thank you. What Evan commented on is not relevant to the row we have in here now. And I think you're suggesting considering a different kind of diversity, which is the self-imposed geographical restrictions of registries. This row we have on the bottom of Page 10 is a different row because it would look in the aggregate at the total new gTLD space. And it wouldn't care if some of those gTLDs self-imposed the geographical restriction.

It would be looking at an aggregate measure of geographical diversity. So Evan, I don't think it changes what we have on the page here. It potentially adds another row and how would you articulate that? Would you say that a measure of...

Evan Leibovitch: I wouldn't add in another row. I would add in the second column of sources of data. Zone and Whois data, registry policies.

Steve DelBianco: But Evan, registry policies wouldn't be relevant to an aggregate view of where the registrants and the new gTLD space have come from. Because it'll be an observed, not an - (a priority) restriction by a registry. We just simply pass through all the zones and say what's the representation by registrant.

And you're right. A few of the zones may...

((Crosstalk))

Steve DelBianco: ...but that all gets lost in the aggregate data.

Evan Leibovitch: I'm just taking - I'm just taking the line item at face value. Measure the increased geographic diversity of registrants. And I'm just say to me just taking that line at face value there are other ways to measure it.

Steve DelBianco: Okay. So we need to change the line then. So it should say measure the increased geographical diversity of registrants in sum of all new gTLDs. Because that was what the original proposer of this measure had in mind. It was Annalisa Rogers at the Dakar meeting. It was an aggregate, not necessarily looking at whether we were going to get applicant to self-impose geographical restrictions.

So if we correct the measure description, then it doesn't lead to the need to look at the registry restriction. But I'm not discarding that kernel of your thought because it may be that there's a different measure of geographical diversity where you only have to look at the registry's restrictions, which is a relatively easy thing to do.

Evan Leibovitch: That's what I thought.

Steve DelBianco: Right. So while it's easy, it's not instructive on this row. The question is do we want to invent another measure?

Rosemary Sinclair: (Unintelligible).

Evan Leibovitch: If I'm the only one that wants it, I won't press the issue.

Rosemary Sinclair: Okay. Well if your - I guess what we're hearing Evan is our hesitation about more measures given the number that we've got. So think perhaps if it's okay with you, we'll just leave things the way they are. But it may be that it comes out in the public comments or perhaps in the discussion in Costa Rica. Now that we've done this amount of work on diversity, it may be that that issue gets discussed further and we come back to that.

But if you're okay, then we'll...

Steve DelBianco: Rosemary, my notes at this point say that on this particular one at the bottom of Page 10 -- just to put this to bed now -- is change the measure of consumer choice to indicate all new gTLDs so it's clear that we need an aggregate.

Rosemary Sinclair: Yes.

Steve DelBianco: And then where we say the anticipated difficulties, I'll leave the word doubtful and I'll follow it by this. The working group is seeking an index or other statistical method of representing geographic diversity.

Rosemary Sinclair: Yes. Everyone comfortable with that?

Evan Leibovitch: Yes.

Rosemary Sinclair: Okay. Thanks Steve and thanks Evan. Now back to action item (unintelligible). Berry had one which is complete. The next one Berry is with you and it's staff. Would you like to give us an update?

Berry Cobb: Yes. Than you Rosemary. This is Berry for the record. The first one was basically in our - from our call last week and when we get into the stats under - or the measures under competition and about how the number of TLDs that are accounted, the number of registry operators, et cetera. There was discussion about whether ICANN collects the zone files from the existing registries and if any analysis is performed against those.

I did collaborate with the registry services team. And first and foremost they have started download zone files on a weekly basis since November of 2009. And it's on a daily basis since November of last year. Then if so, was there any analysis performed against those zone files.

Basically they're only performed on an ad hoc basis or as demands dictate. There's no regularly or periodically scheduled analysis performed against those zone files currently.

Then also per our conversation last week we were referring to the .xx sunrise period in which ICANN did - has been downloading the zone files since they were delegated. In a general example they just mentioned that they did work with the ICM registry. They (still have) some issues that were spotted within the zone files.

So basically to keep closure or take closure on this with respect to some of the metrics that we're going to be talking about here, ICANN is actively collecting the zone and is capable of doing an analysis on some of the aspects that we create out of the metrics here.

As for the second action item, there was also an ask if there was anything required in the applicant guidebook that states that registries have to post the conditions of the registration on their own Web site or in particular registrars that would be selling the second level domain. I see in this latest version that Steve has added these individual metrics that we'll review in a minute.

My first pass through the guidebook I didn't find any language that dictates that a registry must post the conditions of their registration. However, I don't see how they couldn't do it whether it was in the guidebook or not because it is part of how those domains are registered.

And if they didn't follow the guidelines that they established in their application, then that would basically pull them out of terms in their registry agreement. So I kept on keeping this one open. I want to do some more analysis and review the guidebook. So that's all. Thank you.

Steve DelBianco: Berry, this is Steve. As a follow up, you're speaking of the measures on Page 9 under consumer choice. And where we assessed it as being moderately difficult to audit their display. And we said that all registries should disclose.

But I think you said that as strange as it seems there doesn't seem to be an iron clad legal requirement that they disclose their registration with restrictions. And you're going to continue to look for that. But even if you don't find it, we may still say that a goal for the program when it comes to transparency of choice is that they ought to disclose even if it isn't legally required. Is that about right?

Berry Cobb: Agreed. And the latest and greatest example is the xxx top-level domain. On ICM registry site they do a very good job - sorry. They do a very good job of posting what the conditions of membership are. You know, they walk the potential registrant through their membership process and everything along those lines. And everything's clearly stated what the conditions - what conditions exist and what would happen if - to their registration if they're a member versus a non-member.

So I really can't imagine any future registry that will shape something like the closeness of the (unintelligible) xxx that they wouldn't be able to survive without posting those conditions.

Steve DelBianco: Berry, probably a lot of us on this call right away went to the browser to try to find that page. Is it under icmregistry.com somewhere?
icmregistry.com/about?

Berry Cobb: Yes. And it's specifically under the frequently asked questions. I think the first one is how do I apply for membership or wait no, it's not that one.

Steve DelBianco: Who can register, third question down?

Berry Cobb: Figures that you would ask me on the fly like that. Just so we don't waste time, I'll send it out to the list and the one page that I'm looking for there's a nice little video that basically walks the registrant through what it's like to become a member and I'll make sure I post the various examples.

Steve DelBianco: I'm not sure I'm allowed to load a triple-x video here at the office.

Cheryl Langdon-Orr: You might have to go into a dark corner Steve.

Steve DelBianco: True enough. But Berry, I was asking not to put you on the spot. I'm sorry. I was hoping that all of us on the call would have a real world example of registry restrictions and how they're disclosed.

And I think a lot of people think ICM has done a really good job and yet it isn't sort of glaring at you from the homepage. It's on the registry operator's page, which doesn't even have triple-x in the domain name in the URL. And it's actually findable under things like about and the FAQ.

So we do have to sort of be specific about the kind of disclosure we're looking for. I think we would judge the ICM registries triple-x disclosure to be adequate speaking for myself. And if so, let's make sure that when we write our measure down that it ought to be knowing the reality here. It should not have to be on the front page. It just has to be easily accessible to a potential registrant.

Rosemary Sinclair: Yes. I think that (unintelligible).

Berry Cobb: Steve, I have posted one URL into the chat and here's the second one that I'm referring to.

((Crosstalk))

Rosemary Sinclair: That seems to provide good guidelines, that the clarity and the relatively simple language that's needed to make this really an effective process. So if we can...

Steve DelBianco: Do the folks on the call want to cite that URL as an example under the three year target for our measures on Page 9?

Rosemary Sinclair: I think it's a good idea to include it as an example.

John Berard: This is John Berard.

((Crosstalk))

Steve DelBianco: ...dot arrow, dot travel. They all have their own restrictions.

Rosemary Sinclair: John.

John Berard: So I like the idea of pointing at the ICM approach.

Rosemary Sinclair: Okay. Well I think Steve if you can - and Cheryl's good with that too. If you could make that change, that would be great.

Steve DelBianco: Got it.

Rosemary Sinclair: Okay. So you're finished Berry on that point? Is that right?

Berry Cobb: Yes I am. And actually I take that back. Just to point out right below the open action items, you'll see our schedule up through the remainder of May and just keep in mind that we've got two sessions scheduled before the Costa Rica meeting to prepare for public session. And back to you Rosemary. Thank you.

Rosemary Sinclair: Thanks Berry. That was very helpful to put that schedule out and I think just including it in the action items is a good reminder for all of us.

All right. So now that takes us back to our review. And we are in the competition area on - what page are we on?

Steve DelBianco: Rosemary, it's Steve. Would everyone just take a moment and scan the consumer choice. We made substantive changes to it. And...

Rosemary Sinclair: All right.

Steve DelBianco: ...I wanted to be sure that I didn't mess it up the way I translated all the discussion last week into our table.

Rosemary Sinclair: Okay. Would you might just walking us through that Steve. I always find that very helpful.

Steve DelBianco: I'll try to do it very quickly. Under consumer choice, I know it's revealed that we split disclosure and clarity.

Rosemary Sinclair: Yes.

Steve DelBianco: For purposes of letting registrants and users make meaningful distinctions. We felt much better about disclosure the first (are up) there. And we did realize that we had a tough time on clarity. So one row in the old table became three.

Rosemary Sinclair: Yes.

Steve DelBianco: Registry disclosure, registrar disclosure and the third was clarity, which would come from both registries and registrars. Unless there's further work on this or Wendy Seltzer, the originator of the idea, unless she can come up with

some helpful guidance here, this may be something that is not measurable in a quantifiable way.

For speaking my opinion only, I don't know how we can keep clarity without adding some more guidance as to how it can be measured. I think we look foolish for suggesting something that's so nebulous.

Rosemary Sinclair: Although Steve, Rosemary here. We now have the simple question of does it look like the ICM disclosure?

Steve DelBianco: Good point. But even if somebody said yes it does, no it doesn't, that's not quantifiable either. Right. So I'm happy to take any input on that. Is there a group on the call today that wants to keep this around for further discussion or is there a move to delete the clarity line? It's the third row on Page 9.

Rosemary Sinclair: Rosemary here. I actually like having the clarity in this Steve. But it comes from my views of dabbling around in the mobile phone area trying to understand the terms and conditions that are absolutely disclosed in two or three inches of fine print at the bottom of every advertisement about a mobile phone package.

So I'm very keen on this clarity measure. And even if we haven't got a quantifiable measure like most of our others, this one lends itself to some benchmark of good practice. And I know that's not very helpful in the scheme that we've developed. But the difference is transparency can say yes I can see three inches of small print at the bottom of the advertisement but no, I don't - not clear to me. I don't understand what it's saying.

So the distinction in this measure is I feel its really very important even if we have (unintelligible) with a simple quantifiable metric of performance. Are there other views on that? Perhaps...

Steve DelBianco: Looks like we keep it and I'll add to the measure that e.g., must be understandable to average registrant, something like that.

Rosemary Sinclair: Yes. That's great. That's great. That's kind of a (unintelligible) measure isn't it.

Steve DelBianco: All right. Then the next section under choice we created two measures that are part of the range of options available to a registrant and a user in terms of the scripts and national laws. Meaning that registrants and users have choices among scripts other than Latin. Then I put in brackets languages other than English.

Rosemary Sinclair: Good.

Steve DelBianco: I want to discuss that with you all. And the other one was quantity of national laws, different national legal regimes.

Turning to the languages other than English, TLDs are either in Latin or they're in an IDN script even after the expansion. But there isn't a necessity to delineate what language a word is; .bank, is that English or is it German, et cetera? So I don't know that it's appropriate to have language in there or not. Is it - does it make things clear or does it create a problem for us to keep languages other than English on this row?

Rosemary Sinclair: Rosemary just jumping in. I think it creates a problem. And I wonder if we should rather than saying other than Latin, we actually are more positive and call our IDN scripts.

Steve DelBianco: And see what the quantity of new gTLD registries using IDN scripts. Is that correct?

Rosemary Sinclair: Yes. I think that's the core that we're after. Other than Latin still sort of has Latin as the centerpiece whereas if we go for what we want, which is is

IDN scripts, put that in the measure. And I think the language one - the suggestion that the language is confusing. Are there other thoughts on that? Cheryl, do - Cheryl would you mind just explaining the point in the chat?

Cheryl Langdon-Orr: Sure. Cheryl for the transcript record. And the (chorus) is very loud here so I've been on mute. No, I think saying quantity of new gTLD registries using IDN scripts does set the measure quite well. But I think we also need to note that we need a baseline measure like right now because we have the fast track for ccTLD.

And what we're measuring here is gTLD. So we might need to be a little bit specific or make sure that we have the measure that is inclusive of ccTLD as we have in other parts of these titles. Thank you.

Steve DelBianco: Cheryl, this is Steve. I mean we did make the decision last week that where appropriate...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...where cc's compete head to head with g's that we reference...

Cheryl Landon-Orr: And this...

Steve DelBianco: ...all of them and not just the g's. Is this a candidate for that?

Cheryl Langdon-Orr: Yes. This is one of those times where I think it would be a head-to-head competition and we should be doing the full measure if we're going to line it up that way here.

Steve DelBianco: If I were to repeat the way Cheryl seems to have worded it is it would say quantity of new TLD registries...

Cheryl Langdon-Orr: Correct.

Steve DelBianco: ...using IDN scripts period.

Cheryl Langdon-Orr: Yes.

Steve DelBianco: And the measure target would be the number of IDNs in new TLDs greater than the TLDs replaced in 2011.

Cheryl Langdon-Orr: Or could be the choices in legacy TLDs because the legacy TLDs takes into account the already established fast track ccTLDs.

Steve DelBianco: Great point. Taking out the G, exactly.

Cheryl Langdon-Orr: Yes. Yes. That's fine.

Steve DelBianco: Is everyone on the call okay with removing the G from this row? And Rosemary's point of word it positively as in using IDN scripts?

Cheryl Langdon-Orr: Yes.

Steve DelBianco: And it looks as if we are also going to drop the languages other than English because in Latin script there are occasionally going to be multiple TLDs for the same travel; .travel might come up with their own .voyage. They would not be IDN but it would be a French language translation of the word travel. I just don't know how many examples of that we're going to have.

Rosemary Sinclair: Yes.

Steve DelBianco: Is there an interest in trying to capture that as a measure of choice?

Cheryl Langdon-Orr: Good question. Very interesting point Steve. You know, I'm tempted to say yes on that. That was Cheryl for the record.

Rosemary Sinclair: Yes. No, and...

Steve DelBianco: It's not just Latin either. There could be an IDN script like traditional Chinese where there...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...are two or three different languages using the same script. Let me give you another example.

((Crosstalk))

Steve DelBianco: ...uses the Arabic script.

Cheryl Langdon-Orr: ...diversity.

Steve DelBianco: So does Arabic. So if we had a Farsi and an Arabic TLD, that is really two parts of choice even though they're using the same script. Now that would count as two if they both launched because they're both IDNs. All we would miss with this simplified measure is we would miss Latin scripted non-English new TLDs. They wouldn't make it into the numerator when we count the quantity.

Cheryl Langdon-Orr: But they would if we did include a measure for language diversity as well.

Steve DelBianco: Well if we said the words at the end and languages other than English.

Cheryl Langdon-Orr: Yes. That's right.

Steve DelBianco: Only of new TLD registries using IDN scripts or languages other than English.

Rosemary Sinclair: Yes. Rosemary here. I think that's good. And so does Olivier.

Cheryl Langdon-Orr: Evan's giving you a tick Steve.

Rosemary Sinclair: Yes. No, I think that is good because we wouldn't want to miss out on those other gTLDs. Okay.

Steve DelBianco: Everybody's good now. I'll reread it then. IT says quantity of new TLD registries using IDN scripts or languages other than English.

Cheryl Langdon-Orr: Yes. Yes. Is the background from my phone too much for the rest of you?

Rosemary Sinclair: No. I don't think so Cheryl.

Cheryl Langdon-Orr: Okay. It's (bell birds) and you know they can cut into some technology. Anyway.

Rosemary Sinclair: I think well behaved at the moment.

Cheryl Langdon-Orr: Okay.

Steve DelBianco: All right. So let's move to the bottom row on Page 9. It's the - it's a measure of how registrants and users can choose domain names and TLDs that are governed by different legal regimes so that a registry could choose TLDs where they know there's lots of disclosure on Whois and other registrants might choose TLDs where the privacy laws are more protective of the privacy registrants.

Wendy Seltzer had come up with it several weeks ago as a measure of choice. Do you think the way it's worded is what we're after?

Rosemary Sinclair: Legal regimes where new gTLDs (registries are spent). It's Rosemary here. Are there any other thoughts on this one?

Cheryl Langdon-Orr: That's fine. Just within - I know you haven't got to the measure yet Steve but the measure of number of choices greater than two.

Steve DelBianco: Right. So that if there were more than two choices because...

Cheryl Langdon-Orr: Ah. Okay. Thank you. Took me a moment.

Steve DelBianco: If you grouped all the Western democracies together and said their laws were similar, maybe the European Union and the U.S. are different. You end up with a fewer number - of fewer categories. The categories do make this complex. Jonathan Robinson brought it up on the last call.

Cheryl Langdon-Orr: Yes.

Steve DelBianco: That the easy measure is to just simply count the number of legal regimes to which TLD registries claim they are subject to their law. And even if the U.S. and Canada were two different regimes or two different TLDs, they would count as two different choices. And the regimes are somewhat different. So there is an argument that says that keep the easy and drop the moderate when it comes to the difficulty in terms of categorization.

Does anybody want to keep the categorization by grouping into similar legal regimes?

Cheryl Langdon-Orr: You know, this is Cheryl for the record. I'd be happy to have both listed for the public discussion. But can we make sure that it's seen as alternates? I just think we need to pull that out as we're doing the presentation. And all my thoughts of communities guide the hand there. Because I think there will be entirely different views in different parts of ICANN. We almost need to poll that.

Steve DelBianco: What is the likelihood we will discover multiple nations having national laws that are similar enough for the purposes of a registrar? And...

Cheryl Langdon-Orr: Highly restrictive one.

Steve DelBianco: ...(unintelligible) would have to pay a lawyer to assess whether England and Ireland have sufficiently similar that they would be counted as the same choice.

Cheryl Langdon-Orr: If there are no harmonization aimed in terms of European, EU.

Steve DelBianco: The European privacy directive was only implemented...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...by 1/3 of the European nations.

Cheryl Langdon-Orr: Okay. So it's highly recommended, not compulsory.

Steve DelBianco: With respect to the privacy directive it wasn't. There will be a new privacy regulation coming out next year that will have a different regime associated with it. And we're only speaking of the nations of Europe. I honestly want to try to keep this simple so that this doesn't turn into a long conversation in Costa Rica.

Cheryl Langdon-Orr: Yes.

Steve DelBianco: And...

Rosemary Sinclair: Rosemary here Steve. I guess I'm savoring the first. Each nation is counted as a separate legal regime. If I go right down to the consumer end of this, then I think that's the way people would look at this. That if I'm in a particular country, I'm getting this legal regime. If I'm in some other country, I'm getting some other legal regime. And it has a sort of, you know, core of Westminster or continental law in the middle of it.

I think the first option of counting the nations as separate legal regimes is the way to go on this one. I'm not - and of course when this goes out for comment, we may have some GAC members provide some guidance here.

Anyone else wanting to comment on this one? I think the discussion - and Olivier has come into the chat referencing national level. So any other thoughts on this one?

Steve DelBianco: There was...

Olivier Crepin-LeBlond: Olivier...

Steve DelBianco: ...an element of complexity that Jonathan Robinson had brought up with respect to suitable TLDs. If I want to run a banking Web site and I can only choose between .bank and .finance and they're both under U.S. law, then is it really two choices? Maybe not. Maybe it's only one choice because there's only two that are suitable.

And we brought that up and I didn't put it in the document because we were unable to get the consensus last week as far as I could tell...

Rosemary Sinclair: Yes.

Steve DelBianco: ...about whether it was even going to be possible to ascertain and group TLDs together in terms of their similarity of purpose.

Rosemary Sinclair: Rosemary. It's a really tricky one because it depends on, you know, what the users are looking for. Dot bank would be about deposits and .finance could be about, you know, long term super (annuation) strategy or car loans or something.

((Crosstalk))

Cheryl Langdon-Orr: ...almost identical.

Rosemary Sinclair: Yes or the other way. I still think that one is a bit difficult. Any other thoughts on that particular issue? If not Steve, I think we might leave it the way it is. Are you comfortable with that?

Steve DelBianco: Rosemary, I still feel as if the moderate difficulty of grouping by legal regimes, it'd be my bid to remove that.

Rosemary Sinclair: Yes.

Steve DelBianco: Unless somebody felt strongly about keeping it.

((Crosstalk))

Rosemary Sinclair: ...that removal.

Steve DelBianco: Yes. Go ahead.

Rosemary Sinclair: Are there - is there any other view on that? Removing the moderate difficulty sentence.

Cheryl Langdon-Orr: Remove that. Then it just goes to number of choices in new TLD choice, in new gTLD choices is greater than choices in legacy TLDs. Correct?

Steve DelBianco: That's right.

Cheryl Langdon-Orr: (Okay).

Rosemary Sinclair: Yes. Okay. Well I think silence is taking you in the direction of removing moderate difficulty Steve.

Steve DelBianco: Thank you. All right. So real quick, turning to the next page, we have three measures of consumer choice that get to the question of whether the choices are real choices or are they just defensive purposes. And we added the note up at the top of that page saying that privacy and proxy registrations will not provide meaningful data.

We came up with - this was largely the help of Jonathan Robinson, (Jonathan Zuke). Came up with measures of consumer choice looking at sunrise and post-sunrise period on the assumption that during sunrise there presumed to be mainly for defensive purposes.

I'll just be quite for a second and give you guys a chance to read these three rows and how I've captured last week's discussion. See if you see anything that we need to change.

Rosemary Sinclair: (Unintelligible). Could I just ask can everybody see the screen? Is everybody on Adobe Connect? Yes. Okay. (Unintelligible).

Man: Hello.

Steve DelBianco: Yes. So if there's no questions then, I won't walk through all the details. This was a pretty extensive rework...

Rosemary Sinclair: (Yes).

Steve DelBianco: ...of the defensive registration. But if we're feeling good about this, it will contribute to making the competition section easier.

Rosemary Sinclair: Yes.

Steve DelBianco: Because we are getting at the notion of who is a new registrar. Like the survey for instance.

Rosemary Sinclair: Rosemary here. I think (it's) a very good way Steve of pulling out an issue that's been very significant for people in this whole process.

Steve DelBianco: Thank you. What should we put as the anticipated difficulty for the survey?

Rosemary Sinclair: To be honest, I feel that any time we put a survey in, we ought to say that it's difficult because it requires quite a bit of work even if it is an online survey in terms of developing the questions and setting it up.

Cheryl Langdon-Orr: I disagree.

Rosemary Sinclair: Agree Cheryl?

Cheryl Langdon-Orr: No. I disagree with you Rosemary.

Rosemary Sinclair: Okay. Go.

Cheryl Langdon-Orr: I think surveys are the simplest thing from an ICANN perspective because they're - if they're - if they have the staff bandwidth to do so that they will use existing tools, SurveyMonkeys and whatever that they already have. And they have staff with sufficient skill sets running surveys within community that know how to phrase an appropriate question.

And if they don't and they're outsourcing it, many of the providers that ICANN already has contracted for tools such as the BigPulse have specific expertise on marketing surveys that we already have contract relationships with people like as I say BigPulse one comes immediately to mind. So I think the added difficulty is throwing money at it.

Rosemary Sinclair: Yes. So do you - difficult, moderate, easy.

((Crosstalk))

Rosemary Sinclair: ...on.

Woman: Hello.

Rosemary Sinclair: Yes. No I take all those comments onboard. I (review) you talking, you know, about a process of agreeing questions and so on. But that's just my perspective. So do you want to put easy in there or moderate or...

Cheryl Langdon-Orr: Why don't we use the obtainable...

Rosemary Sinclair: Okay.

Cheryl Langdon-Orr: ...using either the internal or outsourced resources and expertise.

Rosemary Sinclair: Okay. That - I think that's a good way of phrasing it. Any other - Steve...

Steve DelBianco: This is Steve. I wanted to at least be consistent because if you recall back on Page 7 we said that a survey was going to be the source of our perceived consumer trust in the DNS. On there we indicated moderate difficulty to gain consensus on survey questions. And we also noted that survey cost is approximately \$100,000.

If we were comfortable with saying it about that survey, it's possible we just copy that into here.

Cheryl Langdon-Orr: There you are. It doesn't indicate a - yes.

Steve DelBianco: Because I - 100,000 isn't difficult. It's just money.

Cheryl Langdon-Orr: That's right.

Steve DelBianco: Yes. And I do think it's an online survey. Maybe we ought to be more clear. Do we mean a push pull or a self-selected survey?

Cheryl Langdon-Orr: Well this is a sample survey. This is a sample survey registrant. This is a targeted...

Steve DelBianco: (Unintelligible) sample, then we have to push it so that the statistically significant sample is (unintelligible).

Cheryl Langdon-Orr: That's right.

Steve DelBianco: Okay. Great. So it's push - even if it is online, it's a push pull. Great.

Rosemary Sinclair: And Olivier wants to come into this discussion.

Olivier Crepin-LeBlond: Thanks Rosemary. It's Olivier for the transcript. I was just going to ask - in our last call we mentioned that there had already been surveys undertaken in the past. Is the sticker of 100K taken from experience?

Steve DelBianco: This is Steve. Yes, I was basing it on the survey that was contracted for the Who Review Team.

Olivier Crepin-LeBlond: Okay. Perfect. Thank you.

Steve DelBianco: So I was arguing for consistency that if we describe the survey's difficult, we ought to describe it the same on Page 7 as we do on Page 10.

Cheryl Langdon-Orr: Steve, Cheryl here.

Steve DelBianco: Go ahead.

Cheryl Langdon-Orr: I (want) to differ just on that. The survey back in consumer trust world is much more generic if I can use that term in a limited way because the survey questions are about, you know, what is trust, how do we measure it, blah, blah, blah. And then you have to put the - yes, you got to do those - establish

what those questions are and then make sure they're meaningful and then get them out.

Here this question is simple. Do you own and (do) maintain the same domain name in a legacy TLD?

Steve DelBianco: Yes. That's a pretty good point Cheryl. You're right. It's a lot...

Cheryl Langdon-Orr: And that's bloody easy.

Steve DelBianco: A lot simpler. Well what do you recommend we put in this particular...

Cheryl Langdon-Orr: Obtainable sense is the same language as we have higher up in that but it's obtainable and tell them how.

Steve DelBianco: Mainly...

Cheryl Langdon-Orr: And we're actually indicating a difficulty...

Steve DelBianco: Typical online.

Rosemary Sinclair: So we're saying obtainable using SurveyMonkey for example.

Cheryl Langdon-Orr: No. Using either in house or outsourced survey expertise and advice - tools, expertise, advice. I said words earlier but, you know. Berry can wordsmith. He knows what we're talking about. But this is one where this is actually a really simple one.

The sort of thing that, you know, BigPulse people would have already standard, you know, any of the big team people would have them as well as Evan pointed out. You know, I think (Nielson)'s already had their buckets of people that contact on various things.

But, you know, if you want it truly meaningful and global, it still can be done.
It's almost, you know, no more than three questions.

Rosemary Sinclair: Okay. So are you happy Steve that you can capture...

Steve DelBianco: I'll try reading that back. The anticipated difficulty sell would read obtainable, using either in house or external survey tools and advice.

Cheryl Langdon-Orr: Yes. Perfect.

Steve DelBianco: Cheryl, while you're on a roll, what is the three-year target? The defensive registration should be less than blank.

Cheryl Langdon-Orr: Well, the X percent is what is the X and we've got that issue higher as well. We talked last week in really didn't get very far on this particular point either. I don't think I'm going to be on a roll on this one for you because my personal view would be something in a 10 or 12% is fine. But other people might view that as far too high.

We almost need to do a snapshot and see what defensive registration percentages are now in the legacy TLD.

Steve DelBianco: Well I'll just throw out a number. What about 20% for both of those Xes. Defensive registration should be less than 20% of the total registration...

(Crosstalk)

Steve DelBianco: ...space.

Cheryl Langdon-Orr: In three years I think that's generously high. But I could certainly live with it. I'd be talking 12 to 15 but yes.

Rosemary Sinclair: Olivier, do you want to comment on this or the earlier point?

Olivier Crepin-LeBlond: Yes Rosemary. Thank you. It's Olivier for the transcript. I was going to say having a number for this is possibly difficult. It's a little bit like taking a number out of a hat or throwing the dice and finding out what you get.

If we are looking at a - I'm not quite sure if we can have a snapshot of what there is today and a snapshot three years from now or a yearly snapshot, we would like probably to see a reduction in the percentage of the defensive registrations.

That said, of course this is skewed because at launch time there might well be a huge batch of defensive registrations that comes through and that will afterwards there'll be less growth in the defensive registrations. So it's a tough one.

Steve DelBianco: This is Steve.

((Crosstalk))

Steve DelBianco: I would hesitate to compare...

((Crosstalk))

Cheryl Langdon-Orr: ...the answer is Berry has put in.

Steve DelBianco: Right. A trend is only part of the answer. And we can have declining trend in the news but I don't think it's possible to compare it to the legacy TLD space today. I don't see how one could do a snapshot of today's gTLD space and capture the same equivalent statistics. Does anybody - I mean do you think it's doable?

Cheryl Langdon-Orr: I don't think there's the time to do the snapshot now. So let's pick a number. I say 12; you say 20.

Rosemary Sinclair: Rosemary here. Part of the issue for me -- and actually putting in a number and I know why we want to do that -- is that I'm worried that the whole discussion will then focus on whether the number should be 15 or 17 or two.

Steve DelBianco: Then we've one. Then we've come up with a measure about which the community can debate what it is and that's just fine.

Cheryl Langdon-Orr: Yes. Hell yes.

Steve DelBianco: We'll have done a great thing.

Rosemary Sinclair: No. No, no, no. We'll be debating the number and not the measure. That's my worry Steve. That's my worry. I don't feel like stopping the train. If we want to agree on a number, then I'm happy to put the number in. But I suspect the focus will then go to the number. Anyway. So which number are we going to pick? What - we had between 12 and 20. So 15?

Steve DelBianco: Fine by me.

Cheryl Langdon-Orr: I love it when you split the difference.

Rosemary Sinclair: What else is there to do?

Cheryl Langdon-Orr: Look, just stop the children arguing Rosemary. That's the go - go girl.

Rosemary Sinclair: Olivier, did you want to comment on the number?

Olivier Crepin-LeBlond: Yes Rosemary. It's Olivier here. Do we really need to put a number at this? Can we not just put as low as possible? Can we not say this as being a number we will...

Cheryl Langdon-Orr: No.

Olivier Crepin-LeBlond: ...find out with time? Because here I...

((Crosstalk))

Olivier Crepin-LeBlond: ...I think we're not dealing with metrics anymore. What we're dealing with here are setting bounds for the metrics and saying we want this to be 20%. We want this to be 12%. And I'm afraid the world doesn't go like this. It goes the other way around. You might wake up in the morning and say I don't want it to rain and it will. And there you go.

Steve DelBianco: But we might say it should rain no more frequently than 50% of the time. That would be our goal. This is only a goal to bound it on the...

Woman: Yes.

Olivier Crepin-LeBlond: Wishful thinking in the U.K. It's not to rain more than 50%...

Steve DelBianco: But we may submit advice. This is only an advice letter to the Board and they may decide not to use our number, to use no number at all. It just strikes me that this is the time that people do take tiny risks like this at being aspirational about what we think the new gTLD expansion is really all about.

Olivier Crepin-LeBlond: So Olivier here...

Cheryl Langdon-Orr: We're trying to show that it is not all about defensive registrations. We're trying to show that whilst there will be and we accept that there will be a given amount. Let's call it, you know, 40% of the registrations in the sunrise period

will be defensive. And then by year three, it should be - pick another number and we've said 15. And this is by year three with the declining trend.

Rosemary Sinclair: John Berard in the chat has articulated my nervousness about this, you know, what is the reality under the number we pick. But...

Cheryl Langdon-Orr: The current reality Rosemary is that there are sections of the community who think the majority of the registrations in new gTLDs will be defensive.

Rosemary Sinclair: Yes. I know.

Cheryl Langdon-Orr: Now a majority is anything over 50%.

Rosemary Sinclair: Yes. Olivier did you want to comment again on this?

Olivier Crepin-LeBlond: Yes. Thank you Rosemary. It's Olivier for the transcript. Cheryl is absolutely right. Some people do say that the number is going to be as high as that or even more. If we - the problem I have with a number -- and I guess, you know, we have not choice; we do have to choose one -- is exactly what you've mentioned Rosemary. People will just argue about the number and say is it 12, is it 20, is it 30.

Let's just pick whatever it is, 20 if you want or 12 or 15, and we'll see at the end of the day. Because if the number - the percentage of defensive registrations is indeed 60%, then we will obviously have seen that the metric has been grossly overpowered somehow. And we'll see in any case. I don't think it makes any difference whether it's 10, 15, 20 or 25, 1/4 of them.

There will always be people who will take this the wrong way, who will say oh, so you're aiming for 1/4 of your new gTLD applicants or 1/4 of new applicants in domain names to be defensive registrations that converts to X number of millions of dollars, et cetera, et cetera. And they'll take it against ICANN in any case.

If you say 10%, they'll say we're absolutely loopy and we're just coming up with stupid numbers. So whatever it is, we'll be wrong. Thanks.

Rosemary Sinclair: Okay. So we've got lots of comments in the chat, which are thoughtful. I suggest we try (unintelligible) this conversation and just put a number in that column so that we can get back to the other measures that we need to discuss. And I will stick my neck out and say 15% and watch hands up or down or smiles on or off.

Cheryl Langdon-Orr: Remember it's 15% of what it was at startup of the program in three years.

Rosemary Sinclair: Yes. In three years...

Cheryl Langdon-Orr: (Unintelligible) of registrations are defensive or 60% of registrations are defensive in sunrise and what we're talking about is a percentage of that in - at the three year time. Not that we are saying 15% of all registrations will be defensive is a good number. It's actually not talking about the number at three years being a target to reach that rather that it is a measure of a declining trend at the three-year mark compared to the go lifetime. Maybe that...

((Crosstalk))

Cheryl Langdon-Orr: ...explained more carefully and more articulately than I just did.

Rosemary Sinclair: If we look at it Cheryl in the context of the three rows of measures and targets, we've got one post sunrise and then we've got defensive registrations with the next compared to - I'll ask the question. And then this - and then we've got our survey. So those kind of things work together in my mind.

Cheryl Langdon-Orr: Yes. Yes.

Rosemary Sinclair: And make the 15% start (unintelligible).

Cheryl Langdon-Orr: I think 15 is fine. Make it to ten if you want but yes.

Rosemary Sinclair: Shall we go with 15?

Steve DelBianco: So the measure would say defensive registrations of less than 15% and we would add a line saying should decline over time. Is that right?

Rosemary Sinclair: Yes. That's right.

Steve DelBianco: All right. So we'll put that into this draft for both of those rows.

Rosemary Sinclair: Okay.

Steve DelBianco: If I heard that right, so it's defensive registrations of less than 15% and the next row says - sorry, below that it would say should decline over time.

Rosemary Sinclair: Yes.

Steve DelBianco: Great. So that is in there for both of them. The next row we already covered in the beginning of the call when we discussed geographical diversity.

Rosemary Sinclair: Yes.

Steve DelBianco: And so why don't we go to competition measures? Rosemary, is that okay?

Rosemary Sinclair: That's fine Steve. We've got 55 minutes. But you assured us that if we spent time on those earlier measures we'd be more efficient here.

Steve DelBianco: Yes. Hold me to that promise.

Cheryl Langdon-Orr: It's in the transcript.

Rosemary Sinclair: Okay.

Steve DelBianco: This is only one page, Page 11. And the first five measures in here are all quantities.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: Yes.

Steve DelBianco: Relatively easy except for the fourth one but...

Cheryl Langdon-Orr: Yes, why.

Steve DelBianco: And we do have to come up with a Y for what the percentage it is. And if you recall on last week's call we did the first two rows. Total TLDs we should be 2x over 2011 that's the total TLD space. And then we had split that row into two so that the second row is gTLDs. And given that we have 21 today we ought to have over 200 by three years out...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...which would mean that something in the neighborhood of 180 of the new gTLDs survive for three years.

Cheryl Langdon-Orr: Yes.

Steve DelBianco: So it's a 10x. It's an aspirational goal; 2x for totals. We all good?

Cheryl Langdon-Orr: Yes.

Steve DelBianco: Great.

Rosemary Sinclair: Okay.

Steve DelBianco: Third row gets to competition on - with respect to registry operators. For instance if Afiliias, a registry operator, PIR who operates dotOrg if they also operate dotNgo and dotOng and several others then that isn't as much diversity as if they are brand new operators for the new TLDs.

So this was easy to conceptualize but it's very difficult to come up with a three-year target. Should we say there should be twice as many like an increase of 2x over 2011 like we did in the first row? Be twice as many registry operators after expansion in three years out as there are today.

Of the 21 gTLDs today...

Rosemary Sinclair: Yes.

Steve DelBianco: ...we have how many different registry operators for that. There's probably in the neighborhood of 15.

Rosemary Sinclair: Yes.

Cheryl Langdon-Orr: About that.

Steve DelBianco: So a 2x would say we should have at least 30 registries; that's not very ambitious.

Cheryl Langdon-Orr: It might not be ambitious but it might be practical.

Rosemary Sinclair: Yes when you consider what needs to be done to establish a registry.

Steve DelBianco: So would everybody be okay with a 2x over 2011?

Cheryl Langdon-Orr: At three - at a three-year, yes...

Rosemary Sinclair: Three year.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: Yes. Yes, any other...

Steve DelBianco: And by the way should this row - this is the third row we're all dealing with here - should it be quantity of unique gTLD registry operators? I don't think we need all so I should put gTLD there.

((Crosstalk))

Cheryl Langdon-Orr: Yes it does need to be gTLD.

Steve DelBianco: Thank you. That's great, that's the third row. The fourth row is looking at - and I put it in italics - service providers, which is the company contracted to run the registry. And we came up with this several weeks ago as another potential measure of supplier competition.

It's moderately difficult to obtain because as Berry said last month we won't have to ask the registries who's running your backend if it can't be determined from their paperwork or determined from other internal ICANN sources.

Berry, you still feel that would be moderately difficult to obtain?

Berry Cobb: This is Berry. It won't be easy I'll put it that way. It just really will depend on the forthcoming of the registry operators to provide that information. I don't believe there would be a contractual provision for them to do so as it states today.

Steve DelBianco: Is it something that's obtainable by looking at their applications? Will they indicate who their registry services provider is?

Cheryl Langdon-Orr: Yes they do.

Berry Cobb: Yes because they have to...

((Crosstalk))

Berry Cobb: ...to note their entire technical...

((Crosstalk))

Cheryl Langdon-Orr: Correct. They have to, yes.

Berry Cobb: But after Year 3 that doesn't mean that they may change providers on the back end. And I'm not sure if we as ICANN would have to be privy to that or not.

Cheryl Langdon-Orr: Cheryl here. And there may be market forces that mean that there is fact an aggregation for very good reasons.

Steve DelBianco: All right so we should leave it moderately difficult because it may be tougher to go check three years out and see who their current registry operator - registry service provider is. Do - we'd leave it moderately difficult to obtain. The source...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...is still the same, ICANN and registry operators. But should we indicate an increase of say 2x like we did above - increase of 2x over 2011.

Rosemary Sinclair: Do we know what the proportion is for here now, legacy?

Steve DelBianco: I think Afiliast runs three; Neustar runs three; VeriSign runs two...

Rosemary Sinclair: Okay.

Steve DelBianco: And the rest...

Cheryl Langdon-Orr: Are all...

Steve DelBianco: ...I believe have their own so that was something in the neighborhood of 10 - on the order of 10 backend providers today. Berry, what do you think? I mean, you would know this better than me.

Berry Cobb: Those numbers are roughly right. I haven't looked at them in a while but it's about in that ballpark.

Cheryl Langdon-Orr: But basically what we're seeing is about - if we look at number of gTLDs sitting at 21 there are a number of service providers who'd say that's 50% of that.

Steve DelBianco: Well that is simply an observation of today but to be aspirational we want...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...more of these registry providers out there competing with each...

Cheryl Langdon-Orr: But what we wouldn't want is a number less than 50%.

Steve DelBianco: Oh I don't know about that. I don't know about that. It might be that 20 firms competing with each other to run back end is plenty of price competition.

Cheryl Langdon-Orr: Right.

Steve DelBianco: The sheer quantity is not the metric.

Cheryl Langdon-Orr: Okay.

Steve DelBianco: Just sufficient quantity so that Siemens and AT&T are competing with VeriSign and Afiliias to run back ends at a low cost or Minds + Machines. It won't be difficult to meet a 2x number but I don't think it makes sense to say that there should be half as many registry service providers as there are gTLDs. That's prescriptive...

((Crosstalk))

Rosemary Sinclair: But you're talking an increase of...

Steve DelBianco: Two x which would mean that if we had 10 providers today, and that would have to be measured...

Rosemary Sinclair: Yes.

((Crosstalk))

Steve DelBianco: And I'm sure that Berry could come up with that number in a heartbeat. If there are 10 registry service providers today we would need 20 by three years out that are still surviving in the business.

Cheryl Langdon-Orr: Well I'm comfortable with that because that sort of fits with my mental model that I was doing on not having less than we do now assuming at least a doubling of the field.

Berry Cobb: This is Berry. You know, let's hypothetically say we get 500 applications for new gTLDs, you know, what percentage of those are actually going to become their own provider. You know, the rumor on the street is all of them are going to outsource their backend.

Steve DelBianco: Right.

Berry Cobb: So, you know, and I don't - I haven't heard of any - there have been a couple of new startups like Open Registry, one or two others, but between now and 2013 and, you know, and even three years out, you know, is it really realistic that there's going to be a growth in that space if all of the 500 applicants already have backend service providers?

Steve DelBianco: Ask that last question again - the very final part.

Berry Cobb: So if hypothetically we have 500 applicants today and let's say they all get delegated and we're assuming that all of them are, you know, 99.5% of them are going to outsource their backend, they're going to outsource it to the providers that basically exist today, is it realistic to think that three plus years out there's actually going to be growth in that - in the backend space when all of the - all of the TLDs already have an existing provider.

Cheryl Langdon-Orr: Cheryl here. Under that hypothesis then what we shouldn't see is a shrinkage.

Steve DelBianco: Right, shrinkage would be less competition...

Cheryl Langdon-Orr: That's right. We wouldn't want to see shrinkage. But if we see...

((Crosstalk))

Cheryl Langdon-Orr: ...an increase of any amount that would be good. So it should be no less - an increase but no less than the existing number today.

Rosemary Sinclair: Rosemary here. Yes, and it's - the whole philosophy of this work is about competition, consumer trust and consumer choice. So it seems to me that the focus of this is on outcomes for end users. So if we've got sufficient

competition in backend registry services now we certainly wouldn't want to see less competition.

But perhaps there isn't a driver for double the number in this...

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: ...particular part of the market.

Cheryl Langdon-Orr: And in fact the end user probably doesn't frankly my dear give a damn about the backend as long as it's stable, secure and does that it says on the packet.

Rosemary Sinclair: Yes, yes.

Steve DelBianco: Does this argue for changing the three year target to be at least as many unique...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: ...providers as in 2011?

Cheryl Langdon-Orr: Yes, no reduction over 2011 would be it.

Berry Cobb: And I believe Olivier has his hand up.

Cheryl Langdon-Orr: Oh, (x) from Olivier. Whoa, okay. Oh what do you disagree with, mate?

((Crosstalk))

Rosemary Sinclair: ...red cross from Olivier.

Cheryl Langdon-Orr: Yes, a big red X.

((Crosstalk))

Olivier Crépin-LeBlond: Okay, it's Olivier for the transcript. I think that, you know, whilst earlier we set a number which was somehow unrealistic of 15% of defensive registrations only I would go along with setting a number which might be also completely out of the - out of the way by saying we would like to double the number of registry providers at backend - registry providers.

The reason is as follows. If you have the same backend for all of your new gTLDs there will be - the constraints and the business models of these new gTLDs will be a lot greater because they will all be based on the same backend provider; they will all be built in a way which is quite similar as what they've had today.

So it completely closes the door on having new backend providers that might have totally different types of charging or business models or contracts that they would have with their customers that would be the new gTLD registries.

So I think we should really look at having an expansion in backend registry providers because I don't think that there - and okay I don't think that keeping the same is something that is viable in an expanding market. Thank you.

Steve DelBianco: So it sounds like we had - we had an increase of 2x and against a target that says at least as many as in 2011. And...

Cheryl Langdon-Orr: Yes, I think I'm happy - Cheryl here - I'm still happy with the at least as many, no reduction obviously, at least as many and an increase would be positive obviously.

I disagree with you, Olivier, only because we're looking at a three-year target. And I think what we may see is by the time we're doing the next round more opportunity because strong business case for service providers to create

themselves as new businesses would be seen on the success of this current round.

Where I wouldn't be surprised if at the three-year mark we may have one, two, perhaps three or four entrants that - not a marked increase; not a doubling.

Olivier Crépin-LeBlond: If I may say it sounds to me like we're basically saying it's okay for a monopoly or a multiple monopoly to be in place.

Cheryl Langdon-Orr: No I'm saying that the...

Steve DelBianco: In most markets two or three choices...

((Crosstalk))

Steve DelBianco: ...big monopoly, right; two or three choices. We have at least 10 today...

Cheryl Langdon-Orr: Yes.

Steve DelBianco: So there's no discussion on monopoly here.

Cheryl Langdon-Orr: Ten is not a bad number. Don't drop it to nine and expand it to 12 if you want to. I mean, you know, and then 200 in 5 or 10 years time. That's fine. You may get an exponential growth at some point when the business case is such that the considerable cost of putting the, you know, the equipment together to make a successful registry is there. I'm just not sure I'm going to see that at year three.

Steve DelBianco: If I look at a service provider all over the world today it's Edge Content Caching. And I believe there are fewer than 10 providers globally of that particular service. But it's highly competitive with respect to pricing.

Rosemary Sinclair: Rosemary here. Do we have to put in a number here? Could we not go with a measure that said expansion over 211?

Steve DelBianco: Expansion is what Cheryl indicated, right. At least...

Rosemary Sinclair: Yes.

Steve DelBianco: ...as many as in 2011. So that's an undefined expansion or a non reduction. Olivier had suggested aiming higher.

Rosemary Sinclair: Yes.

Steve DelBianco: What do you think the consensus is here, Rosemary?

Olivier Crépin-LeBlond: If I may save you, Rosemary. I'm okay with expansion. I think we - if we can say at least as many but hopefully more that would be good. If we just say as - at least as many I think it provides too much of a green light for keeping to the same number.

((Crosstalk))

Cheryl Langdon-Orr: And expansion on the number in 2011.

Steve DelBianco: Yes, we could say the word expansion...

Rosemary Sinclair: Yes.

Steve DelBianco: ...compared to - expansion of unique service providers as compared to 2011.

Rosemary Sinclair: Yes.

Cheryl Langdon-Orr: As opposed to increase or percentage over, yes.

Rosemary Sinclair: Fair enough.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: Done.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: Okay.

Steve DelBianco: Okay still moderately difficult to obtain because one has to dive into the three years out. You have to dive into the registries and ask them who's your current service provider.

And I will - I heard somebody mention the word consolidation; it was probably Olivier earlier - so I will change the description of this measure to say the quantity of unique registry service providers before and after expansion.

Cheryl Langdon-Orr: Yes, yes, good.

Steve DelBianco: The next row is registrars which we have some 800 today. And I don't know that we need anymore. Maybe the right part of the word is to have fewer registrars; I don't know.

((Crosstalk))

Rosemary Sinclair: And Rosemary here. Steve, I was just thinking in the earlier discussion - and perhaps this is an action on Berry - that in all of these where we do know what the current position is we should put the number in somewhere or another because it does make a difference if you know that there are only two of something now and you're looking for improvement then you want to go from two to four.

But if you know that there's 800 of something in a market now then you're not quite so exercised about getting from 800 to 1600 I don't think.

Cheryl Langdon-Orr: Here, here.

((Crosstalk))

Steve DelBianco: That's a great idea. And, Berry, could I ask you to quickly check the number of unique service providers, the number of operators and the number of registrars at the beginning of 2012 and then email...

Berry Cobb: Yes.

Steve DelBianco: ...around to us if you can dig it up. Fantastic thank you. And we'll put it in parens after the 2011.

((Crosstalk))

Cheryl Langdon-Orr: Yes, could be bracketed in that target box each time.

Steve DelBianco: Exactly.

Rosemary Sinclair: Okay.

((Crosstalk))

Steve DelBianco: ...say about registrars and let's tap into the knowledge we have on the phone here.

Cheryl Langdon-Orr: Can I just say what we need to do is measure it; we don't need to give it a target. It simply needs to be measured. Whether it's up or down I'm not particularly fussed over but we do need to compare between current and in three years. So I'd simply do a - the measure.

Steve DelBianco: That we would affirmatively say in the three year target say no target just measure.

Cheryl Langdon-Orr: Just the measure.

Steve DelBianco: Is that correct?

Cheryl Langdon-Orr: Yes.

Steve DelBianco: Sot the word no target would really get people's attention. John Berard, you're with us, what do you think of that? No target for increase or decrease when it comes to the number of registrars.

John Berard: So we're okay not sort of suggesting how people should think just sort of leave the...

Steve DelBianco: No we're being a little bit more assertive by saying that we do not believe that there has to be a target either up or down when it comes to seeing whether the quantity of registrars affects competition.

Cheryl Langdon-Orr: It's literally a comparison so it'll be..

John Berard: Yes.

Cheryl Langdon-Orr: ...so in the three year target it'll say no target, comparative measure between 2011, which is in a bracketed number that Berry is going to pop up, and 2015.

Rosemary Sinclair: At three years. And Olivier has got his hand up.

Olivier Crépin-LeBlond: Yes, Rosemary, thank you. It's Olivier for the transcript. I believe that at the moment it's fair we need to find out the geographic location of

those registrars where they are located. And if we could, as we say, track this and certainly have a pie chart afterwards to show whether there is an increase of registrars in developing countries than in non-Western so, you know, non-Europe and US locations that might be something we would like to track.

Cheryl Langdon-Orr: Yes. Here, here.

Olivier Crépin-LeBlond: Bring the registrars closer to their markets.

Steve DelBianco: So that would say that under the measure it would say quantity of registrars before and after expansion with indication of...

((Crosstalk))

Steve DelBianco: ...country in which they're based.

Cheryl Langdon-Orr: Yes perfect. Absolutely perfect.

Steve DelBianco: And next to the target - three year target is no target given compared to 2011 and put the number in...

Cheryl Langdon-Orr: Yes.

((Crosstalk))

Steve DelBianco: By the way when the - when ICANN was formed one of the very early mandates it had was to increase competition in the registrar space. Network Solution was the only registrar for Com names. And competition really meant creating multiple registrars that could sell dotCom names.

So the legacy of ICANN was that competition was giving registrants choices among multiple places to buy what is in effect was the same thing. So at 800

today, if that's the right number, we're not making a value judgment about whether there needs to be more or less when it comes to deciding whether there's competition.

Cheryl Langdon-Orr: Yes.

Olivier Crépin-LeBlond: Could we say though - it's Olivier for the transcript. Could we say that we would like to see an increase in developing markets?

Steve DelBianco: I don't believe that that is an appropriately scoped measure of competition for this group because that's a contract party and I don't really understand how that is part of our scope.

Cheryl Langdon-Orr: But if we put - if we have - Cheryl here. If we do what Olivier says with the current measure and we put up a pretty little pie chart that shows the current geo location then it's almost - and the target box is talking about comparison - then it is strongly suggesting that should this measure be used it is used inclusive of that geo locality data as well surely.

Rosemary Sinclair: But did we not - when we were discussing geographic diversity earlier...

Cheryl Langdon-Orr: Not registrants...

((Crosstalk))

Steve DelBianco: And because we only care about - as a consumer we only care about users and registrants. And let me just scope this out; we have 30 minutes and we have seven rows to get through.

Rosemary Sinclair: Yes, yes and we're going to do it.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: So unless someone really wants to (die) in the ditch then we're just having no target for registrars. I'm looking for hands.

Cheryl Langdon-Orr: Comparative measure.

Rosemary Sinclair: Next one, Steve.

Steve DelBianco: I'm good with that. The next one is the percentage of new registrations that are in gTLDs operated by new entrants. And the word new entrant is a new concept here. A new entrant is the gTLD registry operator who didn't operate any registries in 2011.

Is Minds + Machines for instance running any registries today? I don't think so. And they would be an example of one that is new so it would mean going through the zone three years out, counting up the number of registrations by TLD and looking up to see whether that TLD operator was a TLD operator in 2011.

If they were not then they are a new entrant by definition and we tally up the number of their registrations compared to the total. So I think I could take out the word - actually if you look at this we have new on one row and all on the next row because I don't know which of these two to use and I can't remember why we had both of these. I don't think we need both of these.

Rosemary Sinclair: Was that point that we were wanting a base that includes the gTLDs and the CCs?

Steve DelBianco: No, I mean, this may hearken back to the time when we were trying to focus on defensive registrations.

Rosemary Sinclair: Which as you say we've captured earlier. So why don't we just focus on the new registrations?

Steve DelBianco: Well it would be - if we say - if we just went to the second row it'd be the percentage of all - percentage of registrations...

Rosemary Sinclair: Yes.

Steve DelBianco: ...that are in new gTLDs operated by new entrants. And I guess I would italicize new entrants because that's the key phrase.

Rosemary Sinclair: And that's really what we want isn't it?

Steve DelBianco: I think so; it's been a while. And so under that scenario we would actually consolidate these to one row that said percentage of registrations. I would scratch out after 2011 because by definition it's going to be measured three years out.

Percentage of registrations that are in new gTLDs operated by new entrants, which I would put in italics, and then I guess I should put underneath that i.e. registry operators who were not running a legacy - who were not in place in 2011.

Rosemary Sinclair: Berry, did you want to remind us of something? I've noticed your contributions in the chat here.

Berry Cobb: Thank you, Rosemary. This is Berry. Just - I just had pointing out that the reason why both of these are showing up is what was pulled out of our presentation back in Dakar. And so the main bullet item was to evaluate market share of those suppliers before and after launch of new gTLDs.

First bullet being the new entrants share of new registrations; the second one being new entrants among all registrations including existing registrations.

Steve DelBianco: Oh I got it. So it's...

Rosemary Sinclair: Got it.

Steve DelBianco: ...whether the denominator included all the zones as opposed to just the new zones.

Rosemary Sinclair: Yes, yes.

Steve DelBianco: Oh that's much easier. It may still be meaningful; it's very easy to do that. They're really the same number. The numerator in both is - the numerator in both percentages is the quantity of registrations at the end of year three that are run by gTLDs that are run by new entrants.

Rosemary Sinclair: Yes.

Steve DelBianco: So suppose that was 100 million in the numerator. That's the same numerator. The question here is whether we want to measure that denominator to be the total registrations in all gTLDs or just the total registrations in the new TLD space.

So if we had 200 million new registrations in the new zones and half of them were by new entrants it'd be 100 over 200 million or 50%. If however the denominator included all the zones the number would be a lot lower. By focusing only on the new we can set a higher goal.

Rosemary Sinclair: Yes that's focusing on the total market gives us that snapshot of how much difference all this has made.

Steve DelBianco: That's right.

Rosemary Sinclair: Yes, yes. So the new one, Steve, we're saying it's easy to obtain those with - at the minute we've said it's difficult to obtain them.

Steve DelBianco: Yes, I believe that if we use the zone information...

Rosemary Sinclair: Yes.

Steve DelBianco: ...three years out, Berry, correct me if I'm wrong, but you walk the zones of the quote unquote new gTLDs that weren't in existence in 2011 and you tally up the number of registrations in each and you get the numerator period.

You only want to count that for the gTLDs that are new entrants so you have to go through and eliminate the new entrant gTLDs and you get your numerator.

Rosemary Sinclair: Yes.

Steve DelBianco: I think the zones would be - new registry zones would be your source.

Rosemary Sinclair: Yes.

((Crosstalk))

Steve DelBianco: Let's try to standardize on one of the two measures.

Rosemary Sinclair: Yes.

Steve DelBianco: Which is what is the new entrant's share of either just the new domain space or the new entrant's share of the total domain space.

Rosemary Sinclair: New entrants share of the new or - what we're trying to do here is create competition and choice for consumers. So we want to know about the number of new entrants and we want to know about the number of new registrations. But if we don't have the second measure, Steve, then we lose the impact of the whole program in the total market for domain names.

Steve DelBianco: Well that impact is still there in terms of consumers having choice etcetera. I guess there's such a huge install base of domains today amongst the dozen operators in the 21 gTLDs that that's water over the bridge; it's almost not important to have that denominator in the number.

Rosemary Sinclair: Yes, I understand. Yes, I'm happy to take that point.

Steve DelBianco: You know, it's a sunk cost so I believe we're better off focusing on of all the registrations in the new gTLDs setting aside any concept of whether they're defensive - that's not even part of this - of all the registrations in the new TLDs what share of those registrations are held by...

Rosemary Sinclair: New entrants.

Steve DelBianco: ...gTLD operators who are new entrants to the marketplace.

Rosemary Sinclair: Okay I'm happy to focus on that. Are there other thoughts on this? And I'm not sure what that symbol next to Cheryl's name is telling me.

Berry Cobb: That means that she stepped away for a moment.

Rosemary Sinclair: Thank you, Berry. Okay so we can lose a row. The suggestion is we lose the last row in this section.

Steve DelBianco: Yes, we consolidate them into one row and it would read percentage of registrations in new gTLDs operated by new entrants; that is not operating - those not operating a gTLD in 2011. The source would be the new registry zone files.

Rosemary Sinclair: Yes.

Steve DelBianco: I don't see it as being difficult. So I would say not noted. The question is what's the target?

Rosemary Sinclair: Well I'm certainly stumped on this one. What would we want to be the target? Because it's the percentage of new registrations operated by new entrants.

Steve DelBianco: Greater than 20%, something like that?

Rosemary Sinclair: Well why don't we go with that see what the feedback is. Just difficult because it's all so new; to go back to John Berard's point there's no base for understanding what these numbers should look like. So...

((Crosstalk))

Steve DelBianco: I know but just putting an x in we shouldn't fool ourselves into thinking that we were done, right?

Rosemary Sinclair: Yes, yes, yes, yes, no that's right. So let's put 20% in and see if we - what feedback we get on that unless there are strong views from the participants on the call. Not seeing any. Okay so...

Steve DelBianco: Okay...

Rosemary Sinclair: ...we'll go with 20.

Steve DelBianco: Okay so now we only have 20 minutes and the next four items...

Rosemary Sinclair: Yes.

Steve DelBianco: ...have to do with the prices paid by the registrant.

Rosemary Sinclair: Yes.

Steve DelBianco: First two of them wholesale and versus retail. And the very, very final one is something everybody is talking about is what does it cost to permanently block because ICM is doing it in their - did it in their sunrise and got a lot of credit for that.

Let's take the first two which is the wholesale and retail prices. Berry noted after much research that we would not be able to compel wholesale prices from registries. Berry, is that correct? What was our pricing problem?

Berry Cobb: Well basically the response from Legal is that their main concern was regarding the consideration of price related information whether publicly available or not is the possibility that the outcome of a future review results in price related recommendations.

And to that extent any consideration of price related recommendations is not recommended as it would raise both legal and accountability issues. ICANN does not wish to encourage the creation of recommendations that are legally not feasible to implement.

And there was one other thing that was of note.

Steve DelBianco: Berry, I would add that none of the goals set for the program are legally enforceable; none of them. So that same objection from Legal would wipe out everything here. None of these are ever legally enforceable; they are aspirational for the program.

You know - I know it wasn't easy to get the Legal department to see it that way but given that we are not trying to regulate prices; it's a matter of measuring what turned out after the fact and say do we have a way of assessing whether that's evidence of competition or not.

I'm sorry, go ahead. Did you have - and was there an issue on obtainability as opposed to legal advisability?

Berry Cobb: No the obtainability I don't think is as difficult other than throwing man hours and money after it. But there isn't an automated way to necessarily go collect retail price data. That's not to say that it couldn't be done manually.

As for wholesale pricing I haven't looked at this one myself but, you know, it seems like there is - that information is available out there in one regard or another maybe not for all of the TLDs. So I don't think that it's overly difficult to go get it outside of just pricing and man hours.

Rosemary Sinclair: Rosemary here. I guess if we go back to basics what we're talking about is competition in the context of competition, consumer trust and consumer choice. And the assessment of the competitiveness of the market often takes people to what's happening to prices in this market. That's where this whole issue comes from.

I'm going to suggest that we've captured the issue well; wholesale prices, retail prices, sunrise prices, premium and non-premium. We've identified the source of the data. We've identified that it's difficult to obtain for a range of reasons. And I even think the measure reflects what consumers would be expecting to happen to prices in this market over three years.

Bearing in mind that what we're doing is preparing a draft letter of advice. And at the moment we're focused on that going out to public comment. I just wonder whether we've actually got - pardon me - as much as we need to have in this whole area and that we should just go for public comment.

During that phase people will come back and tell us it's just impossible to get this or they're not prepared to do it or it's legally this, that or the other. But our task is to just make sure that we've got clear measures, well defined and we're identifying the difficulty of the task for people.

I'm just wondering whether we've actually got enough to do what our task is which is to send this draft advice for public comment at the moment. Any comments on that?

Steve DelBianco: Steve please. Yes, I would say let's not give up too easily. I agree with you that we want to let others comment on it. But let's put our best thinking about this. Jonathan Zuck sent a note around today correctly I think pointing out that community-based TLDs or highly restrictive TLDs, like a dotBank a dotNYC, which might be restricted to those who have New York City addresses, those smaller targeted gTLDs are not available to the general public.

They have much smaller communities that they serve. And their value proposition may be such that their prices are higher certainly higher than maybe the \$3 that dotInfo charges today or the \$9 that dotCom charges today. But there is value associated with being in a special purpose TLD as opposed to a general purpose TLD that's open to the global public.

I think that by us assuming that if the price is higher we have somehow failed to deliver competition we will have done a disservice to this whole project. So...

Rosemary Sinclair: Here, here.

Steve DelBianco: ...if we are going to keep these rows in here I think we have to cabin them only to TLDs that are open to the general public - at least the first two rows. Because things like a dotWeb, which I'm pretty sure we're going to have, you could compare that to prices in legacy TLDs.

But dotBank if it's only available to chartered banks regulated by their respective national government whatever that price is is completely irrelevant to measuring whether there's now competition in the provision of appropriate TLDs to a bank.

In other words the program could have been a huge success at coming up with special purpose TLDs for different industries, geographies and communities but that balkanization of the space, that specialization of the space, could well cause higher prices. And we will have reached the exact opposite conclusions if we claim that the goal was on average lower prices.

So I would either argue for removal of the price rows. I actually thought that's the way this group would go after so many discussions of price. But if we kept them, Rosemary, my answer to you would be to restrict them only to the gTLDs that are available to the general public.

Rosemary Sinclair: Well it's interesting, Steve, because I was actually going to go back and remind everybody that my first position on this was that I thought it was too difficult to say anything about price. And one of the reasons is the reason you've just identified, you know, what your - if people put a value on the particular characteristics of a domain name and they're prepared to \$1000 a year for it then that's their choice.

The issue is having a, you know, a number of different domain names with different characteristics in the market provided by different people who, you know, provide different levels of service and the like. So as long as you've got the supply side sorted out and consumers being able to make a range of choices then you've got competitive outcomes.

My second issue with all of this is just the difficulty of getting the prices, having watched this process conducted by the competition regulator or competition regulators in a number of countries including the European Union over many years in the telco space, you absolutely wind up comparing apples and oranges and not getting any value for hundreds of hours of work.

And then beyond that - pardon me - there's the difficulty Berry is identifying that - pardon me - once you put prices into the market what's the impact of that on competitive conduct.

So I am all for removing these price lines. Cheryl has got a tick but I'm not sure if she's agreeing with me. Yes, in the chat line there's a ditch the lines. Evan on the other hand has got a big red cross so, Evan, would you like to come in and just explain what you're thinking?

Evan Leibovitch: Yes, personally I think that taking out - taking out price lines is a bit of - I don't have a better way to say this but head in the sand mentality in the sense that when you're talking from the point of view of people who are looking to get TLDs.

Much of the problem that exists with the current regime is a matter of artificial scarcity. And very often when I heard the rationale given for - the rationale given for having new gTLDs it was to decrease the amount of artificial scarcity.

If it is reducing scarcity then it should also along with that, if there's a truly competitive environment, be reducing the costs. Are there going to be a handful of high service, high cost, high value TLDs like dotBank? Absolutely. But the fact that a TLD is going to come around and say okay I'm going to offer - I'm going to offer names because the first 15 that you looked for you couldn't find but I'm going to offer you a new alternative.

You know, I can tell you 100% of the times I've helped people get registrations this is always been a matter of scarcity; this has been a matter of people being able to find what they want. And the fact that we have so many speculative domain registrations, the fact that like it seems - and this is purely based on my own anecdotal observation but I had a look through dotCO and fully half of the sites that I went to just at random were park pages.

So you have situations where there is artificial scarcity going on. And I believe that cost isn't the only issue. But to remove it as if it's not a factor I think basically just essentially devalues this entire report in the eyes of people that are looking for a healthy overall evaluation of things.

By all means make it clear this isn't the only factor but to say that it's not a factor at all I believe has a component of willful oblivion in it. And I'll leave it at that.

Cheryl Langdon-Orr: Cheryl here.

Steve DelBianco: Evan this...

Cheryl Langdon-Orr: I just see that as an argument for why we should be measuring - if we measure it - we measure like with like and limit it to open publicly - public ability to register in TLDs.

Steve DelBianco: Fully agree, Cheryl.

((Crosstalk))

Cheryl Langdon-Orr: ...at the expensive ones. Now if we're going to look at that then I'm fine with it. If we're not going to look at that then I want to ditch it.

Steve DelBianco: Cheryl, if I could just support you on that. It would need to be only public. And keep in mind that when Evan saw parked pages in CO is a ccTLD but it runs like a G and it's available to the general public.

((Crosstalk))

Steve DelBianco: They allowed premium pricing. They charge different prices for generic words that get parked than for other words. And all of the new gTLDs, even those

open to the general public, will be allowed to do the same thing; observe what they think are high value generic words, set them at very high prices, park them for a while to see if they generate traffic.

So it's difficult even within the dotWeb new gTLD to say what is the average price. There will be some premium names for thousands of dollars and there maybe general dictionary terms and other specific terms that might be \$10 or \$20 a name.

This is a very challenging - and it's just as much putting our head in the sand to assume that our measure will be meaningful. So we don't want to ignore it but let's make sure we caveat what it is we're measuring. Caveats themselves are less important if we fail to set a target. If in fact we may just say no target just measure and compare we can be a little sloppier about how we define the metric.

Evan Leibovitch: I'm okay with that.

((Crosstalk))

Evan Leibovitch: I'm just saying the idea of just nuking the lines and pretend the price isn't an issue is in my mind foolhardy. And I'm totally okay with the idea of saying yes we know there's going to be value add, yes there's going to be ones that are going to have reason to be more expensive.

But on the whole if there is a metric that says that the release of the new gTLD program has led to an average increase in TLD - in second level domain prices that's something people need to be aware of whether or not it's something that people want to be known.

Steve DelBianco: So, Evan, would you support the - on the first two rows the wholesale and retail price of domains where we added the phrase...

Evan Leibovitch: Publicly available.

Steve DelBianco: Offered for gTLDs open to general public?

Evan Leibovitch: Yes.

Steve DelBianco: Each of them. And then at the end under three-year target say the word no target compare.

Evan Leibovitch: I would even be happy with a line that says diversity of high value versus low cost. You know, the fact that you have a marketplace that has both a British Airways and a Ryan Air indicates healthy competition. That doesn't mean that you say cost isn't a factor; there's a demand for both. But you can't say cost isn't a factor.

Steve DelBianco: Nor can we say an evidence of a different price between those two is evidence of lack of competition. So the pricing differences will reflect other things, scarcity and value, to your words earlier. So therefore we can't conclude anything a priori about what the difference in prices mean. But we do think it's important to measure it.

Evan Leibovitch: I agree with what you were saying about publicly available ones. If the ones that are not closed off are added value, if the average price of those ends up increasing that says something about the public point of view of the success of the program.

Rosemary Sinclair: Okay we've got about five minutes, everybody. So...

Evan Leibovitch: You asked.

((Crosstalk))

Steve DelBianco: No that's great. And I appreciate the email you circulated today after Jonathan Zuck's note. That's helpful. Rosemary, if I may quickly say that the two sunrise rows below this I put those in many weeks ago. And when we focus ourselves on three-year targets these are pretty meaningless.

The sunrise period will happen for the first 30 days of a new gTLD launch. That'll all be over roughly a year into the new expansion.

Rosemary Sinclair: Yes.

Steve DelBianco: And when I brought up premium and non premium in there those were my words to sort of distinguish between what they were charging. I realize there's no obligation for a new operator to have just two flavors, premium and non; they may have multiple flavors.

So as the author of those rows I feel as I when you focus on a three-year target we probably want to get rid of those on sunrise prices.

Rosemary Sinclair: So both of those categories would go - those rows would go, Steve?

Steve DelBianco: That's - that would be my recommendation...

Rosemary Sinclair: Okay.

Steve DelBianco: ...having put them in there. But I'm anxious to hear what other people think. I'm looking to move things along; as you said we only have a few minutes left.

Rosemary Sinclair: Indeed. Well while other people are thinking about that Olivier wants to come in to the conversation.

Olivier Crépin-LeBlond: Thank you, Rosemary. And I hope I'm not setting you back by still talking - well I've been waiting patiently for the retail price of domains. Clearly

we have two markets and the premium market is the one which if there is more competition might have lower prices for the premium domains.

I'm talking specifically of the ones that go for \$100,000 or \$1 million which you sometimes hear about in the press. And I just wonder if there would be less of these really, really premium domains if there was a lot more real estate out there?

Rosemary Sinclair: That...

Olivier Crépin-LeBlond: But that ties in with what's been said there. I just thought I'd...

Rosemary Sinclair: Yes.

Olivier Crépin-LeBlond: ...just mention that for the record. Thanks.

Rosemary Sinclair: Thanks, Olivier. So I think we've got agreement, Steve, to remove those sunrise price lines. There's a little in the chat that you might want to think about.

Now this last row I'm not sure where this came from. And we've only got a couple of minutes to deal with this.

Steve DelBianco: I added it because of all the talk of ICM and their sunrise block options. I'm aware that the trademark guys are hoping that many of the gTLD operators will offer this permanent block cost during sunrise. This is rather specific and I'm happy to withdraw it if there's not wider support.

Rosemary Sinclair: Anyone wanting to comment on that?

Cheryl Langdon-Orr: Olivier again.

Olivier Crépin-LeBlond: Yes, thank you. It's Olivier for the transcript. The block option is something which has been extensively criticized outside of ICANN's roles as being some kind of protection racket if you want.

And I'm not quite sure whether we wish to be - to monitor this. I mean, would it have to be - effectively monitoring it and saying the cost should be such and such less than annual registration fees; are we not actually giving a green light to this to happen? And I just wonder whether this is the right way forward. I'm not quite sure we should be so proud as to something like that happening. Thank you.

Rosemary Sinclair: So I think I'm hearing agreement for this row also to be removed. Evan.

Evan Leibovitch: I just put in the chat that at least from my evaluation a sunrise block is sort of the same thing as a defensive registration at reduced price. So I don't know if it's part of competition issues.

But it definitely has to be part of any discussion about defensive registrations because having this in is an acknowledgment that defensive registrations are happening. And this is essentially just a way to soften the blow by reducing the price of them. You know, if you're going to buy a domain but have no intent of using it well we'll just block it at a reduced price.

Steve DelBianco: That's a good point. So back on the choice where I indicated measure of registrations having the same domain in other TLDs I would say that I need to add there - we should count blocked domains the same way as a defensive, is that correct?

Evan Leibovitch: Well that's just my point of view on this. I see them as two sides of the same coin.

Steve DelBianco: Right. They're even more defensive in the sense that the registrant doesn't even want them to resolve.

Evan Leibovitch: Yes.

Steve DelBianco: So I could add the word - the blocked registration - to the two rows on Page 10 where we measure the number of quote unquote defensive registrations.

Cheryl Langdon-Orr: Yes, good.

Rosemary Sinclair: Okay.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: All right well let's do that that way.

Cheryl Langdon-Orr: And then that gets rid of that line.

Rosemary Sinclair: That's right. So then we've got Berry's suggestion that if we include prices, which we are going to, wholesale and retail, that we attach the perspective from ICANN Legal as Appendix B to the document we issue for public comment. Is everyone okay with that?

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: If it's going to be...

((Crosstalk))

Steve DelBianco: Rosemary, I was writing and I didn't quite hear what that request was so if it's approved make sure you repeat it for me.

Rosemary Sinclair: Yes certainly. The - Berry's suggestion is that if we include, which we are, two rows on pricing, that we include in our document ICANN Legal's opinion

or issues - their response - around the inclusion of pricing metrics in a draft letter of advice.

And I'm inclined to agree with that because if there is a significant issue we need to call it out for consideration by the community as early as possible really.

Steve DelBianco: Great, I'm happy to do that. I would ask Berry to craft that paragraph and send it over and I'll plug it in.

Rosemary Sinclair: Okay. Well everybody, congratulations because that brings us to the...

Cheryl Langdon-Orr: Oh.

Rosemary Sinclair: ...end of our task. Well done. Small clap. Our next call I guess that's now to bring together a presentation - if you go back to the schedule under our open items - open action items. Berry, you're wanting to say something?

Berry Cobb: Yes, I just wanted to state that our next meeting will be scheduled for next Tuesday on the 21st. And yes to what you were stating the start on the presentation. And I'm guessing between now and then Steve will release the next version in the next day or two and that we complete any other changes pretty much on the list so that we can start to prepare for Cost Rica.

And one of my action items will be to basically develop a template of a presentation for us to review at our next meeting. And I'll start with what we used in Dakar and then fold in basically the output from our advice letter into some sort of PowerPoint deck.

Steve DelBianco: Makes sense.

((Crosstalk))

Steve DelBianco: Berry, this is Steve. We were anticipating publishing for public comment on the 21st of February. Would that mean that next Tuesday we finalize the document or you prefer that we finalize the document via email in the next few days?

Berry Cobb: This is Berry. It's up to the working group overall if we want to wait until the 28th to go to public comment so that we just make sure that we've got all of our bases covered again we can go either way.

Steve DelBianco: But, I mean, if we're having a call next Tuesday the 21st on that call we could literally make any last minute tweaks to the doc. And on that call give it - hand it to you for publication on the 21st.

Cheryl Langdon-Orr: Here, here.

Berry Cobb: Sounds good.

Rosemary Sinclair: Yes that's the way to go. Olivier.

Olivier Crépin-LeBlond: Thank you, Rosemary. It's Olivier. Will we be discussing Evan's added paragraph in our next call?

Steve DelBianco: Good point.

Rosemary Sinclair: Sorry, Olivier, would you mind just clarifying that a little?

Olivier Crépin-LeBlond: Yes, Evan sent a copy of the document over to I believe the list. Evan, maybe you can...

((Crosstalk))

Evan Leibovitch: Actually what happened was is I had sent an early copy to a few people and then I'd sent it also to Steve who incorporated it. It is actually into 5.1.

Olivier Crépin-LeBlond: Oh it's already in there. Okay perfect thank you.

((Crosstalk))

Steve DelBianco: And then in today's note I pasted it in for everyone to see it.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: And so Rosemary here just to finalize so we will have one last look at our document as part of our next call. We'll focus on preparing the presentation for Costa Rica in that call. John Berard has made the suggestion that we road test our presentation with a wider group.

So if all of us could think about a couple of people - extra people - to encourage perhaps to join our call on the 6th of March I think is the next one so that we could do that. I think that's a really great idea.

Okay I think that's it. So thank you everybody for a fantastic piece of work this morning - this evening, this afternoon. And we'll chat next week.

Cheryl Langdon-Orr: Thanks all.

Steve DelBianco: Thanks Rosemary. This is Steve. When I send around v.6 I'll indicate in the email to our list that our intent is to publish this on the 21st so this is a last call.

Cheryl Langdon-Orr: Here, here.

Rosemary Sinclair: Yes.

Cheryl Langdon-Orr: Yes.

Rosemary Sinclair: Terrific Steve, that's great.

Olivier Crépin-LeBlond: Thanks very much.

((Crosstalk))

Cheryl Langdon-Orr: ...by the way, it's excellent.

Rosemary Sinclair: Thanks everybody.

Cheryl Langdon-Orr: Thanks Rosemary. Thanks, Steve. Thanks everyone.

((Crosstalk))

Rosemary Sinclair: Bye.

Berry Cobb: Bye all.

END