Vertical Integration PDP Working Group
TRANSCRIPTION
Monday 03 May 2010 at 17:00 UTC

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

Gisella Gruber-White: Thank you.

Mikey O'Connor: Thank Gisela. This is Mikey with his perennial request that everybody mute because we've got so many folks on the call. And I'm going to ask the operator to be especially vigilant today because we are probably going to have a lot of people on the call as usual.

So if you find yourself muted, star 6 will get you off. The agenda today is pretty simple. Basically what I would like to do is drag us through the list of items or (addems) depending on your point of view with several objectives in mind.

One, I just want to make sure that they're clear and if they're not that we can figure out ways to clarify the language. I don't want to necessarily discuss them on this call. That would be a very tall order. But I would like to quickly run through them partly with that eye to clarity and partly with the objective of forcing us all to read them and to begin the process of identifying any that might be missing.

And so that's really the goal for the call today. That's the only agenda item. There is a little time at the end for any other business. Does anybody have anything they want to put in that slot before we get started? Okay.

Gisella, why don't you call the roll and then we'll be off.

Gisela Gruber-White: Absolutely. Good morning, good afternoon, good evening to everyone on today's Vertical Integration call on Monday the 3rd of May. We have Mike O'Connor, (Biff Acuff), Keith Drazek, Faisal Shah, Berry Cobb, Steve Pinkos, Tero Mustala, Eric Brunner-Williams, Nacho Amadoz, Paul Diaz, Richard Tindal, (Tia Bashem Bashule), Avri Doria, Jeff Neuman, Alan Greenberg, Jon Nevett, David Maher, Jean Christophe Vignes, Brian Cute, Kathy Kleiman, Ken Stubbs.

From staff we have Margie Milam, Glen DeSaintgery, Mike Zupke, Dan Halloran, Kurt Pritz and apologies today we have Stephane van Gelder, Roberto Gaetano if he's not able to join the call, Vika Mpisane, Michele Neylon and (Josen Frank) has also just joined the call. I hope I haven't left anyone out. Over to you Mikey.

Woman: Thank you.

Mikey O'Connor: Thanks Gisella. On your screen is precisely the same spreadsheet that you've already gotten via the list this time using the Berry Cobb version but the difference is minute. And all I've done is - I'm running it on my screen so you don't have control over the page. Because what I'd really like to do is if we can identify fairly simple things to do to change these to make it clear, I'll just change them as we go. And otherwise I'll take notes and we'll drive those in.

So my plan is to just go as quickly as we can through the whole list. As I said, sort of a minimum of discussion this time around. My real goal is to get this to the point where towards the end of the call we can start treating this as close enough to be able to take it out into the weekly poll.

And I'm going to ask the Analysis Team in the call -- it's coming up right after this one -- to help frame up the way that we poll around these things. But in the very end of the call we might take a few minutes to just brainstorm what's good about how we want to do the polling. I've got some ideas but I'm very interested in yours as well.

But as I read this, at least for me the list was so overwhelming, I didn't really dive into it until I was preparing for this meeting and I really think that it's useful for us all to look at this. And so I'm just going to work my way through them.

If you are a person who is an advocate of this particular item or agree with it and feel that there are ways to make it clearer, I sure want to hear from you. If there are - I basically want to hear from folks in general about ways that we can make sure that these are clear and can stand on their own.

So without further ado, (oop) that was exciting. The first two are sort of related. They are basically reciprocal of each other. One of the notes that I

took is that when we publish these we'll expand all the abbreviations to, you know, make it easier to read the RYRR thing.

But in terms of the ones that you see there, anything that, you know, I'm going to breeze through these fairly quickly. If there's something that you want clarified or change the wording, throw your hand up or just speak up. You know, we'll go from there. I'm going to cut out a little bit. My phone's ringing. But somebody else is going to pick that up.

The third one is the 15% control one. And again, this is really mostly about - get that, yes. A lot of people coming in. Get those out of the way. And then the fourth one is the same sort of thing except it's saying subject to community review and a certain number of months, the number of months to be determined.

Anything in there - I'm seeing a bunch of microphones. Is that folks have raised their hands? There, Jeffrey has his hand actually raised. We'll go to Jeff first.

Jeff Neuman: Yes. So I think actually Brian might have been in front of me. I think we all had our hand raised and then they were changed to microphone. So I think you (unintelligible).

Mikey O'Connor: Oh I might have done that. Yes, that's...

Jeff Neuman: So I don't know if Brian if you want to go ahead first.

Mikey O'Connor: Yes.

Jeff Neuman: I believe your hand was raised before mine.

Mikey O'Connor: Brian, go ahead. Oh and you're probably on mute. We're not hearing you. Second call for Brian.

Brian Cute: Hey, can you all hear me?

Mikey O'Connor: There we go.

Brian Cute: Hello.

Mikey O'Connor: Now we can hear you.

Brian Cute: Okay. Sorry about that and thanks Jeff. Appreciate that. Please believe me, I don't want this - the response to this question to turn into 15 minutes of chatter and confusion. It's a simple question and I hope it remains that way.

At the top it says principle. Are what we - is what we're looking at a grid of the elements of proposals that have...

Mikey O'Connor: Yes.

Brian Cute: ...been submitted by the - okay.

Mikey O'Connor: Yes.

Brian Cute: Okay. So let me just focus on the word principle. I know there's been some discussion on the list. Milton was involved in some of that. And I know that there is a quote Evaluation Team that is busy working away...

Mikey O'Connor: Analysis.

Brian Cute: Analysis. Yes we went from evaluation to...

Mikey O'Connor: (Unintelligible).

Brian Cute: ...analysis, pardon me. Thank you for that. Analysis. Do we really - how do we intend to word principle here or do we really mean the word proposal? Because I think...

Mikey O'Connor: You know, I could easily go with something like item instead of principle to make it even more granular or neutral. There is no...

Brian Cute: Well I can see...

Mikey O'Connor: ...there's no (unintelligible).

Brian Cute: It's not the granularity.

Mikey O'Connor: Go ahead.

Brian Cute: It's not the word principle. It's just the word - I'm sorry to talk over you there Mikey.

Mikey O'Connor: Don't worry.

Brian Cute: I think the word principle is embedded with meaning. And Milton made a fairly passionate argument about the use of principle. So I just want to make sure in terms of meaning that what we're looking at here is proposals or elements of proposals that we be as accurate as possible. And if we're going to use the word principle in another context in the Analysis Group's work that we just have a clear understanding of the difference. That's all.

Mikey O'Connor: Great point and I totally missed it but I went ahead and changed it to items for now. If folks are uncomfortable with item, why don't you ping me on the list about that. But, you know, I think it's a good clarification.

Jeffrey, now I think it's your turn.

Jeff Neuman: Yes. Thanks. I've actually a similar point but it's a little - actually similar about on the structure. So, you know, I've read through this and thank you guys for Mike Zupke and for putting this together and Berry to making it look nice.

So there were certain parts in there where I - since I put a proposal in there so, you know, I see my name next to some of them. But there are some other ones where, you know, unless the person proposed it specifically it wasn't in there. But I would say that maybe people who proposed might accept elements of other proposals as theirs.

I don't know if that's a useful exercise before the Analysis Team goes forward to say hey, I can put like a DM or something on an affiliate can put AF into a box where they agree with it as well or so on and so forth. Because it seems like we're so far apart because there's only little boxes checks in some of them where there might be - I might have been in agreement with some other proposals but I didn't specifically state that in my proposal. Does that make sense?

Mikey O'Connor: Yes. Makes tons of sense. In fact I'll send you 50 bucks after the meeting. I think that what would be fantastic is if each of the proposal advocates could go through this and indicate which of the items they are in agreement with. That's what I - that's at least what I heard you say is that, you know, you might have found...

Jeff Neuman: That's correct.

Mikey O'Connor: ...a lot of things on the list that you could also agree with. And I think to the extent that each of the proposal advocates could go through and indicate that, what we might find is that we have substantial areas of agreement and that would be a very useful step forward. So is that sort of where you were headed too?

Jeff Neuman: That's exactly - yes. That was exactly my point. And hopefully it will make it - and put a lot more Xs or checks or whatever in the box. Then we can sort of start working towards a middle position on, you know, as we approach Brussels.

Mikey O'Connor: Oh. Fantastic. Yes. I would agree. If before we go on to Avri, if anybody has a problem with that idea, this would be a good time to say so. Otherwise what I'll ask Mike to do is circulate the spreadsheet as revised one more time and let each of the proposal advocates go ahead and pick off the things that they like because I think that would be a really helpful thing. Avri, you're next.

Avri Doria: Okay. Thank you. I can be heard?

Mikey O'Connor: You can. (You're) fine.

Avri Doria: Okay. Great. I guess I agree with that. I think one thing that'll be interesting in that is that in some cases we'll think that in our proposal we inferred that we - or we implied that we agreed with it but when other people read it, they can't actually make the same inference that we're making.

But anyway, the point I specific - so it'll be an interesting exercise all around. The point I wanted to make was specifically on three. On three it basically says specifically 15%.

Now I haven't been through all of them with a fine tooth comb but I'm wondering whether than one can actually be generalized to may acquire some percentage and then is filled into - it's a blank if is 15, if it's 20, if it's 50, if it's 5, et cetera. Because I think that at least in discussions, maybe not in printed, proposals there was some variance on what the arbitrary cutoff would be or could be. So that was the only recommendation I made on three. Thank you.

Mikey O'Connor: Thanks Avri. I've just run out of screen landscape. So could somebody check really quickly and see if there's - and maybe Zupke you could jump in on this. Is there one that's got a blank like that that we should point to or shall we just generalize this one instead?

Mike Zupke: I'm looking ahead. I think there are some. If you look at for example the one that's numbered 35, it shows where there's kind of a placeholder and then the different proposers could fill in the blank with their number. So I think we could do the same thing on that line.

Mikey O'Connor: Oh okay. So we'll do that and (unintelligible) nomenclature and present instead of (unintelligible). Oops. That's not so good. Let's try that again. (That darn keyboard). Okay.

                   Does that capture your thought Avri if I do it like that? Oops. Maybe ampersand.

Avri Doria: Not exactly.

Mikey O'Connor: Okay.

Avri Doria: I had meant it for three. It actually it captures it for four where I wasn't talking. But yes.

Mikey O'Connor: Oh, I'm in the wrong one.

Avri Doria: I had meant it - but it means it for both. I mean it's any place we have a number that has been argued as arbitrary. I think that's the best - a workable proposal.

Mikey O'Connor: Okay.

Avri Doria: (Unintelligible) proposal.

Mikey O'Connor: So if I carry it back - you're right. I was on the wrong one. Like that.

Avri Doria: Yes. Thank you.

Mikey O'Connor: Okay. I like that idea because then we can get the concept and then tangle over the exact number towards the end. Keith, you're next. I'm still on one through four and at some point I'm going to push it through there. But these are all good general concepts though.

Keith Drazek: Sounds good. Thanks Mikey. Can you hear me?

Mikey O'Connor: Yes. (Read you).

Keith Drazek: Okay. Great. So thank you and, you know, thanks again to Mike and Berry for their hard work on this. I think it's very, very useful documents. I agree with Avri's recommendation, you know, and I think from our perspective it's not necessarily a specific percentage that matters.

You know, I think you've heard us say this before; it's the question of control. So to the extent that we focus less on a specific, you know, percentage number and more on the general issue, I think that's a good thing.

My comment here is also a little bit more general in terms of principles or items or recommendations. Is that our commitment to a principle, and I'll give - I'll use an example. Our commitment to the principle of using registrars equally, treating all registrars equally, something that NewStar is committed to. We certainly believe in that principle under the current.

But if vertical integration were to be allowed, you know, full and free in the marketplace, our commitment to that principle would change. So I just wanted to make the point that, you know, while we are committed to a principle or to a concept, whatever the word is that we're going to use today, does not

necessarily mean that we would stick with that if the landscape were to change substantially.

So I think it's just important to note that there is the possibility that perspectives and positions could change depending on the outcome.

Mikey O'Connor: Yes and Keith you've brought up a point that I've been sort of puzzling about as well which is that these things - it's not quite the same point that you raised but it's related. And that is that some of these things are interconnected. And if we - and towards the end of this we're going to have to go through and do some sort of reality check that things that we've put together actually make sense when they're put together. So I'm sort of mindful of that as well.

Keith Drazek: Yes. Sounds good. Thanks Mike. Yes. That's it for me.

Mikey O'Connor: Okay. Thanks Keith. (Kat), go ahead.

Kathy Kleiman: Kathy. It's okay. Kathy.

Mikey O'Connor: Oh Kathy, I was wondering who (Kat) was. It's like God, new person. Okay. Kathy. I get it. Go ahead. Oh, you were there for a minute but now you're on mute. Still can't hear you. That was weird.

Keith Drazek: She says she just got disconnected and will dial back in the chat.

Mikey O'Connor: Oh thanks. This is a 60-year-old guy trying to multitask and it doesn't work. Okay. I'm going to roll us ahead a little bit and then when Kathy rejoins, we'll take her question.

All right. The next batch is on your screen now. I'll just let your read them. Part of this exercise is just sort of force us to read. Avri, do what extent do we generalize every 15% throughout? Is your idea that we would put that n

percent (unintelligible) each of these? Any thoughts there? Sort of putting you on the spot but...

Avri Doria: Oh, that's okay. That's okay. I don't mind being put on the spot. I would think so. I would think that the generalists want to use the word principle and they use it sort of overloaded here is that - and for example, in A, a registry may not own more than some number. The principle, if we're calling it that, would be that there is some limit to what a registry can own. There is some limit to what a registrar can own.

And then there were, as you said, you know, we could decide later that if indeed there is a limit, if there is, you know, a consensus in the group that there should be such a limit, then we can figure out what the limit needs to be and is there a one size fits all limit (unintelligible). So yes, I think that I would go - I would suggest that they were all n.

Mikey O'Connor: Okay. If anybody has a huge problem with that, this is a good time to speak. We'll sort of generalize the note but I went ahead and changed those just so you could sort of see how these things would read.

I think that it's useful if we come to general agreements and then haggle over specifics like that. It makes it easier to drive towards consensus. So I like the idea a lot. Let me check - oh Kathy's back in.

((Crosstalk))

Woman: ...as well.

Kathy Kleiman: Can you hear me?

Jeff Neuman: Hey Mike.

Mikey O'Connor: Yes.

Jeff Neuman: Mikey, this is Jeff. Mikey, this is Jeff Neuman. Can I just quick on the n percent just a quick comment and then go to Kathy.

Mikey O'Connor: Sure. Sure. Go ahead.

Jeff Neuman: On the n percentage, is there a way to indicate that n percent is less than what equals control or great - so percentage does matter if it equates control.

Mikey O'Connor: Are you talking kind of about like seven, eight, nine, those...

Jeff Neuman: Yes.

Mikey O'Connor: ...because we've got control in the (unintelligible) - we've got it in Number 3 up there.

Jeff Neuman: Yes I just - it's just weird because if you change all the 15 percents because some people think 15% is control or whatever it is. I just - I think it changes the meaning if for seven, eight and nine if it was just n percent. N could be something like 90% or 100. I think it does matter.

Mikey O'Connor: So we add...

Jeff Neuman: I agree with...

Mikey O'Connor: ...that or control language to these?

Jeff Newman: I think so. I think that's - but I'll leave that to the others that made the comment like Avri. I just don't want that to get lost to seven, eight and nine and the others.

Alan Greenberg: Mikey, it's Alan. I thought the intent was to put n here and then in the column for each proposal put the actual number they're using.

Mikey O'Connor: Oh, I don't know. It could - although...

Alan Greenberg: I thought that was what Mike Zupke had referenced in Item Number 30 something.

Mikey O'Connor: Yes. And, you know, what we're doing here is - you know, the concepts is what I'm really interested in. I don't want to necessarily get bogged down into the specifics. But I think that the concept that Jeff is promoting is a concept of tying together the control with the percentage. And so I changed eight and nine as an example of that. And if people have trouble with that generalization, this would be a good time to tell me. Otherwise we'll take it...

((Crosstalk))

Kathy Kleiman: This is Kathy.

((Crosstalk))

Mikey O'Connor: I heard somebody but I couldn't tell who it was.

Kathy Kleiman: This is Kathy. Can you hear me?

Mikey O'Connor: Go ahead. Yes. Now I can.

Kathy Kleiman: I have trouble. Can we go back to Number 3?

Mikey O'Connor: Sure.

Kathy Kleiman: (Right now it's) Number 6, 7, 8. Thank you. Yes. I have - I have trouble changing all the percentages to n because I think that there are the proposals that come out with very concrete percentages after a lot of thought. Whether

it's 50% or 100% or 0% as the board put in. Can anybody hear me? I'm hearing a lot of background noise.

Mikey O'Connor: Yes. There's a lot of background noise. Operator, can you take a look at...

((Crosstalk))

Gisella Gruber-White: Mike, I'm sorry, that is - that is Roberto's line.

Mikey O'Connor: ...the lines. Say again.

Gisella Gruber-White: That is Roberto's line.

Mikey O'Connor: Oh, is Roberto on?

Gisella Gruber-White: He's joined the call so I'm not sure if he's able to press star 6 to unmute himself. But if we mute him, then he can't speak.

Mikey O'Connor: Well, he succeeded I think.

Gisella Gruber-White: He's gone on mute. Okay. Apologies.

Mikey O'Connor: Thanks (Robert). Great to have you on the call. Go ahead Kathy.

Kathy Kleiman: Okay. So I would like to see - if this is an itemization of every possibility, then I'd like to go back to the 15% because that a registry may not own or acquire more than 15% because that's not a hypothetical.

I mean that's something we still have in our proposal, in the PIR proposal. And there are numerous other proposals that go to exactly that point for a reason. That it's not controlled. That it represents something very tangible and important in the proposal.

So if you want to have an item that has n because a proposal wasn't certain of what percentage they wanted to offer, then that's fine. But some of our proposals were.

Look here at Number 3. I have a second question. So I would have Number 3 as...

Mikey O'Connor: Well I can't...

Kathy Kleiman: ...registry...

Mikey O'Connor: Wait. Before you get to the second question, how about this for a middle ground? How about if we leave it n percent like this and then each proposal advocate if they have a percentage that they - is in their proposal, when they fill out the grid, fill in the percentage so that that way we sort of get the best of both words.

We get the concept but for folks who have thought through and have a specific percentage, we also get their view of what that percentage should be. Would that work?

Kathy Kleiman: I guess so. I've always thought a grid would work best on this. But if the idea is itemizing every variation (ability), that - I guess...

Mikey O'Connor: Well, you know, this is iterative design.

Kathy Kleiman: Okay.

Mikey O'Connor: So, you know, this is Iteration Number 1 and that's the primary reason for this call. It's to see how close we got. And we're all sort of inventing as we go here. But the thought would be that the grid could then show, you know, the agree or disagree could show that there's agreement to the concept and the

filling in of the blanks with the numbers could give us a more granular view of where specific proposals are at.

Kathy Kleiman: Are you saying that there'll be a grid Mikey that has at the top percentage of ownership that a registry may own at the registrar? (Unintelligible).

Mikey O'Connor: No, well no. The...

Kathy Kleiman: ...all the proposals and we'll see zero, we'll see a bunch of 15s, we'll see a few hundreds. Is that...

Mikey O'Connor: Yes. I mean what I was thinking is that we would see a grid - I don't know if I dare - I'm not going to dare to zoom out. But if you look at the original document, it's a grid with all of the proposals arrayed sideways. So there's yours and Jeff's and Avri's and Milton's, Eric's, you know, there's a (unintelligible).

And so the thought would be that the next time we look at this grid, you would see this question and you would see either agree to the concept or a number in the little place where your proposal is. And in the case of your proposal, that number would be whatever it is (all through).

Kathy Kleiman: Okay. Okay.

Mikey O'Connor: But let's say 15% just for sake of argument. And it may be that what we'll find when we do that is we have a lot of repetition because what Mike was doing was going through every single proposal basically sort of in order and just capturing points as he came across them.

And this has - this list hasn't really been compressed to see if there's duplication and that, you know, our next time through we may be able to do that. That is actually my hope because it's a pretty tall list right now. And this generalizing notion is a good way to do that.

So that was your first question but you had two.

Kathy Kleiman: I did. I wanted to know on Number 3 what the last three words mean, without ICANN approval. Because there are lots and lots of variations in the proposal without what that means if you can get ICANN (proposal), under what circumstance is it exception, is it routine? A lot of different variations on that too. So how is that all captured within one line and thanks for walking me through this.

Mikey O'Connor: Oh, no worry.

Kathy Kleiman: (Unintelligible).

Mikey O'Connor: I think that, and put words in Mike's mouth, but one way to do this would be to add parenthetically at the end of this, see items below for details or something like that.

Kathy Kleiman: Or they need to create...

Mikey O'Connor: The fact that - say again.

Kathy Kleiman: Can we create another column? Can we create another column, another item that says that - has something about ICANN approval for exceptions or ICANN approval to go above agreed upon percentage. And then list for every proposal under what circumstances they'd like to see that change if any. They'd like to see that ability to go over 15% (unintelligible).

Mike Zupke: Hey, this is Mike. If I can just break in here. So...

Mikey O'Connor: (Yes, go ahead).

Mike Zupke: ...the goal in doing it was, you know, where somebody said something like in a proposal like, you know, this can't happen without ICANN approval, if they spelled out what the approval process was or what the criteria were, that would be in another section sort of, you know, where some people say, you know, there may be certain exceptions. The exceptions are spelled out below.

So while they're not attached in this version, the, you know, the goal was to say okay, if at least this concept, you know, there's agreement on, then let's tackle that and say we agree and then move on to defining the criteria.

So while this is probably, you know, a little too broad or too vague for most people to say, you know, this is good enough. We'll just adopt. This is our one principle and move on. You know, the purpose was this is sort of like, you know, one component...

END