Consumer Metrics Project Discussion TRANSCRIPTION Wednesday 27 July 2011 at 2000 UTC

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Participants on the Call:

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Apologies Michael Salazar Olivier Crepin Leblond – ALAC

Coordinator: I would like to inform all parties the call is being recorded. If you have any objections, you may disconnect at this time, thank you. And...

Gisella Gruber-White: Thank you. Good morning, good afternoon, good evening to everyone on today's CCI workgroup call on Wednesday, the 27th of July. We have Carlos Aguirre, Alex Gakuru, Rosemary Sinclair, Cheryl Langdon-Orr, Steve DelBianco, Jonathan Zuck. From staff we have Margie Milam, Liz Gasster, and myself, Gisella Gruber. And we have apologies noted today from Olivier Crepin-LeBlond and Michael Salazar.

If I could please remind everyone to state their names when speaking for transcript purposes. Thank you. Over to you Rosemary.

Rosemary Sinclair: Thanks Gisella. I've put up an agenda, which I see on the Adobe Connect screen. I thought I'd just go through where I got to with the charter and the motion, then we can get, pretty much, straight back into the discussion of the definitions. The charter is up on the screen and thanks to everybody for your input on that. It certainly wound up being a better document than it was when we started. And I guess in particular I'm talking about the motion here.

What happened with the motion, unhappily, is that I thought I had correctly posted it, but it was my first such motion and it turned out I hadn't posted the motion correctly, so I didn't meet the timeframe for the GNSO Council call.

I've since sent the motion to all counselors so that we can discuss it between our meetings and our next meeting is the 8th of September. But I would like to propose that we keep working as a group, even though this motion has not been passed by the GNSO council yet.

So are there any comments about that or thoughts? Perhaps before I just finish - the motion has been written so that we propose firstly, a cross-community working group, but perchance that that is not passed, bearing in mind the GNSO council is actually doing a piece of work at the moment on cross-community working groups, so there may be a bit of hesitation until that work is finished.

But in the alternative I've proposed that the group be set up under the auspices of GNSO, but of course being the open group that it is now. So are there any comments or thoughts about that?

Steve DelBianco: Rosemary, it's Steve, I had a couple questions. I listened to the council call and I was interested to know whether there was any pushback that you got on list, I did not read council list but do council generally understand and appreciate the idea of a charter. And then secondly...

Rosemary Sinclair: Yes.

Steve DelBianco: ...communications with ccNSO and with the ALAC.

Rosemary Sinclair: Yes, I didn't get any pushback Steve. On the list or privately, so I'm just expecting that to be an open discussion and for the motion to go ahead at the next meeting. John Berard is on the call and perhaps John would like to give his views on that.

John Berard: Good afternoon, good morning, good evening, whatever. Yea, there wasn't - I don't think there's any - there was any pushback. I didn't hear anything either in words or tone. I do think that there's a sense that on the GNSO council, the working - the operating model for cross-constituency working groups hasn't been worked out and so why dive into an unknown end of the pool? Why not just make it a working group of the GNSO council?

You can still accomplish everything that you want to accomplish without having to take a whack at that particular hornet's nest right now. But either way, I don't think there's any doubt that...Everybody survive?

((Crosstalk))

John Berard: I don't think there's any - I believe there's nothing but support for charters that move this thing forward.

Steve DelBianco: Thanks and Cheryl, I see your chat response with respect to...

Cheryl Langdon-Orr: Oh and it's continuing...

((Crosstalk))

- Steve DelBianco: Are you personally comfortable with the draft charter that, you know, Rosemary posted...
- Cheryl Langdon-Orr: I'm very comfortable with the draft charter and I believe if and when such a miracle happens in the GNSO, supporting a cross-community workgroup for this or any other purpose. It's an ideal model.
- Steve DelBianco: Excellent and do we know if we have any idea on ccNSO; how they feel about this draft?
- Cheryl Langdon-Orr: I was going to raise it, but like most of us, mostly is kind of busy right now, so I had to put it in as in any other business, so the call that goes out at the beginning of the ccNSO council meets at the beginning of the month. I will have a quiet chat rather than am, "on-agenda" feel for that.

But, you know, when it says (Sinke), by the way, it should have said (Finley). Open workgroups in GNSO - Cheryl Langdon-Orr for the transcript record, open workgroups in GNSO are an excellent step forward. They're incredibly important in the (PDP) and any other form of policy process in the world of the gTLDs and are something that certainly ALAC and at large absolutely - adamantly support.

What it means, however, in circumstances like this, is that ccNSO and GNSO will need to now appoint and put into a purely GNSO process, a number of representatives which certainly the ALAC and at large will do. And I suspect ccNSO will do too also, but we will find out what happens there.

What that of course means is that, we severally also have to do the same work and I think you can just insert whatever you want to in the dotted lines there.

Rosemary Sinclair: Just on that - Rosemary here on the ccNSO and GAC point, should I ask the chair now to write to both of those organizations and let them know where we're up to, I guess, and give them a copy of the draft charter even ahead of the motion being passed by the GNSO council? I'm just not sure of the protocol here.

Cheryl Langdon-Orr: Cheryl here if I may.

Man: Go ahead Cheryl.

Cheryl Langdon-Orr: Thank you. I think it would be wise to do so Rosemary. In the case of ccNSO, if you attention it to (Bart) and he'll make sure that (Leslie) and the rest of the council discuss it - with a copy of this charter because if we are working separately then some people may argue, I'd be one of them, that the great similarity that we can establish between the several charters would be to everyone's advantage.

So the courtesy copy of the charter that you believe the GNSO will be agreeing to and a probable date where that will be happening will make the planning for the other SO and indeed the other ACs quite helpful. You need to remember, of course from the GAC perspective, should give the secretary a copy too, to hear the - they don't charter anything. They work in an entirely different manner, so it's a purely for information purpose.

However, as a fellow AC, the ALAC and the GAC have launched into a couple of agreements where we are going to be coming up with more and more joint statements and joint advice. And I'm sure those of you skilled in the meaning of words in ICANN will be able to work out where we're heading along those lines, won't you Steve?

In the future and so we'll - as ALAC, also do our best to make sure that the timely involvement of GAC input early on in the process is managed as best as we can. Thank you.

((Crosstalk))

Steve DelBianco: ...try to respond to your question?

Cheryl Langdon-Orr: Yes please.

Steve DelBianco: I appreciate what Cheryl said and I think that protocol is one aspect, but so is the actual tone of this communication. But protocol is probably correct and it should probably come from Stephane.

Because GNSO was one of the four entities that were requested for advice from the board. And it happened to be the first of those four entities that's moving - giving it it's first mover, maybe it is appropriate that it comes from GNSO, as apposed to say, a collective GNSO-ALAC. And if Stephane were to write it, I'm not sure he would use anywhere near the same accommodating tone that you would use.

I would much prefer that you draft it and only ask that Stephane forward it from GNSO as the first of the four ACSOs. And he could forward it to GAC to ccNSO with a copy to ALAC, because ALAC sort of is helping to lead the way along with GNSO.

Cheryl Langdon-Orr: Okay.

- Steve DelBianco: ...everything I can to make sure that Stephane uses the right tone in this and not let him put it in his own words in a way that might not convey the way that we want to get a cooperative, quick response to board's request for advice.
- Cheryl Langdon-Orr: Okay, well I'm certainly happy to draft that, but in fact that will probably be welcomed by Stephane and Glen I'm sure.
- Rosemary Sinclair: Okay, so any other discussion on the proposed charter in motion? If not then I think we can get back into the substance of our discussions. And I think we started last time on competition. So is it useful to go back to that point, or is there something another start point someone would prefer?

((Crosstalk))

- Man: ...people that weren't on last time that wasn't here? A recap, I'm wondering, I mean, John Berard, you weren't on last time. I don't remember Carlos if you or Alex were.
- Man: If we're using the BC document as a straw man, does would make sense to put it up on the screen?
- Rosemary Sinclair: That's a good idea. The other document we were using was a document that Wendy Seltzer sent to us, so...
- Margie Milam: It's Margie. I have both of them. Which do you prefer to see first?
- Rosemary Sinclair: I would actually ask Margie, if it's possible, to, perhaps in another corner, while we're looking at the CSG version - the business constituency version, to compare the definitions from the one with the other on, say competition, on the same screen. If we can do that, I think that would be great. If not, then we'll just have to shift from one to the other.

So we've got the BCs position now. Can everybody see a screen I guess is the question to ask at this point?

- Man: Yes.
- Man: Yes.
- Rosemary Sinclair: Okay, all right so leading away. Steve would you mind just talking us through this again?
- Steve DelBianco: Sure, so why don't you cover competition first Rosemary? Scroll down to the proposed definitions for competition. It says, within the context of the DNS and new TLD is the availability of multiple suitable TLDs, multiple registrars where registrants their desired domain name at reasonable prices and terms. So this notion of availability of multiple, suitable TLDs gets to the notion of, "I choose from TLDs that fit my purpose."

If I'm in banking, I can go to com, I can go to country codes, I can go to maybe dot bank, or dot finance if they are part of the new batch of TLDs that are launched. So giving me the ability to choose among competing value proposition for my TLD is one aspect of competition.

The second half of the sentence says I would like to be able to choose those from multiple registrars. Because competition among registrars is often important for pricing and services that are offered. But say dot bank comes out, but it's only offered to a single registrar -- and that may be entirely ostensible. It's not the greatest example -- but it's offered through one registrar, I have to pay whatever markup that registrar demands.

Whereas if multiple registrars offer one of these new TLDs, then the chance of price competition, because that's what this is about, competition will give me a lower markup on the wholesale cost charged by the registry.

And finally the last piece of this sentence says, at reasonable prices and terms. And that is what you are supposed to get if there's competition. If there's competition, we expect different registrars to vary their markup and the length of time, that's what we mean by terms, length of time I can renew, whether they are going to offer me things like privacy registration or value added services.

But the registry itself also dictates prices. If there's registries that launch new TLDs that charge \$500 a year per domain name and they're the only ones serving a particular need - dot bike for bicycles - if dot bike charges \$500 a year then there's no other bicycle-related TLD, I have less choice competition.

((Crosstalk))

Steve DelBianco: ...could always get a com or a net or a cc, but clearly pricing will start to matter and that will part of what we would want to measure. I'll stop there and maybe we can compare it with what we saw from Wendy Seltzer. Rosemary Sinclair: And Margie has put Wendy's definition in the notes of our Adobe Connect area and...

((Crosstalk))

Rosemary Sinclair: So Wendy's definition is the competition is described by economic measures, including the number of suppliers, market concentration, ease of entry and pricing close to marginal cost. So that is very much a supply side definition of competition, whereas the definition Steve was taking us through was very much more of a demand side.

Perhaps if we open up for discussion on the two approaches to defining competition.

Jonathan Zuck: I think - this is Jonathan Zuck, sorry. I think that the - what we have to be cautious of with Wendy's suggestion is that we predetermine what the take-up or pricing etcetera is going to be in order to define competition.

Because in a lot of these, you know, new domains the issue is whether or not there is a valid choice and that valid choice may involve spending a lot more for a domain than they currently spend. But there are a sereis of associated benefits with making that choice, right?

A dot shop domain that is going to do its own advertising and is going to filter out bad (unintelligible) and build consumer trust as a greater place for people to go shop, isn't necessarily going to figure favorably into a \$3 per domain name type of scenario. So I think that focusing on people having choices of where to go to build their web presence is probably an important measure.

Rosemary Sinclair: Thanks Jonathan. I've got Cheryl and then John Berard in the queue, so Cheryl.

Cheryl Langdon-Orr: Thank you Rosemary. Cheryl Langdon-Orr for the transcript record. I find myself needing to recognize that - I think we'll probably have to put up some agreed glossary

definitions in our first set of documentation which may need to have a couple of columns. There are ways of defining things. Wendy's - one is arguably a very strong and robust and using many cases measure of what the definition of competition is.

By putting on my purely consumer advocacy and At Large hat for a moment and particularly with reference to new gTLDs, Things like trust and the recognition that, as Jonathan was pointing out, trust comes particularly in a process with cost associated to it. It's going to be hugely important for particularly niche markets' needs being met.

I would also remind all of us at this point in time that certainly in some of the ccTLD environments not, but that's rather more by the accident of how the thing developed than by the design of, if we had a blank sheet of paper and was building a domain name industry perspective. The desire for purely marginal costs is one that we have assumed is in the user or registrant's best interest.

But when we test that in some models, such as existing - some of the ccTLD environments, that's not always the case when consumers are actually - and registrants more to the point are actually allowed to make that choice. Let me use the Australian Melbourne IT example.

A hugely expensive, by comparison, to the rest of the competition they have. Certain services - sorry the competition within the ccTLD, they have certain services are often right down to the cost of domain name, which is more than in some cases, you know, seven times the average cost for registration. And people are choosing to do that.

Now that still is a valid nature of consumer choice and definitely goes to the trust that the people are making in their choice. And I'm not bundling together the other services, I'm just purely talking about the cost of registering the name for two years.

So, I think we need to be fairly open at this point in time and not necessarily too purist. Thank you.

Rosemary Sinclair: Cheryl. John?

John Berard: Cheryl, I view Wendy's suggested definition of competition as more of a regulatory regime, in fact the definition, or the description of the elements of a definition of competition I think are totally met by the proposed definition that Steve read. The only difference, I guess, would be how you view marginal costs and reasonable prices.

Otherwise I think that what Wendy is saying is that any definition of competition must meet these requirements and I think the one that Steve read does.

Rosemary Sinclair: Thanks John. That was what - Rosemary here. That was what I was thinking as well, that these two definitions are two sides of the same coin. One coming from the supply point of view, and the other coming at things from the registrant point of view. So I'm not sure that we're too far apart either. The point about marginal costs, I think the issue in formal assessments with competition in a market, is that there is a range of costs and I think, to go back to Cheryl's point.

Melbourne IT is at the upper end and some would say premium pricing because of reputation, but in that particular market there are services available very very close to marginal cost. So within the market there is a range of costs.

I was wondering whether ICANN, Liz or Margie, has ever done any work describing what a competitive market looks like in the DNS space. Is there any research or other papers that have been done that we could look at? And then I think that Steve is in the queue.

- Margie Milam: This is Margie. I'm aware of the studies that were done with respect to vertical integration, but I'm I'd have to check to see whether there are anymore specific on these particular definitions.
- Rosemary Sinclair: Would you mind doing that because if there's something that has been done then we ought to at least have a look at that, even if we decide that it's not relevant to our particular work in this area.

Margie Milam: Okay, I will do that.

Rosemary Sinclair: Thank you and Steve?

Steve DelBianco: Thank you. I don't think the supplier-consumer distinction is helpful here, because the only thing that matters from the standpoint of the affirmation of commitment is the measure from the perspective of the consumer. And we want to suggest that when the consumer looks at the available TLDs that are suitable to her. She's opening a bike shop and she wants a domain name that suits the business purpose and the script that she wishes to serve.

At that point, she's serving the Chinese market. She's going to look for a Chinese script oriented maybe to sports, to commerce and maybe it's online shopping, or maybe she just has a store and does servicing with bikes. So what I'm saying is that in every purpose, commercial versus noncommercial, service versus merchandise and script in English. Each of those constitutes a purpose.

And within any given purpose or script, competition would be multiple TLD operators trying to serve her and therefore, I do embrace Wendy's notion of putting a numerical in there, as in she wrote - she includes the words, "number of suppliers," and let's just embrace that and put in parenthesis, "number of suppliers," after the word, "availability."

Availability of multiple suitable TLDs and you could put, "Including the quantity for the number of suppliers," but the word, "suppliers," from all of this that are taking this from a consumer perspective, the number of suppliers means, the number of TLD strings. I don't know that we care that much if the dot bike in English, dot bike in Chinese, dot bike in Arabic are run by the same supplier or not.

All we care about, I think, is the availability of multiple strings. And I realize this encroaches a bit on the consumer choice aspect as well, but those are very tough to separate. We want suppliers to be focused on who is behind the scenes, who is participating as an operator. From the standpoint of a consumer, choice and

competition is the ability to pick from among competing TLDs all of which suit her purpose and script.

If I had to say that the backend matters at all, it would be something in the sense of, what percentage of the new TLDs are people that are brand new to running a domain. And I'm not talking about the backend operator, but the registry operator. And perhaps if all of the new TLDs are operated by two companies, there wouldn't really be much competition.

So there is room in here to bring in metrics on, "Who are the TLD operators?" I don't think we extend that all the way back to ask, "Who is the backend operator? Who do they buy their routers from?" If they all buy their routers from Sisco, well then we haven't achieved competition.

I think that would miss the point completely. That's why I don't think we should go any deeper into the supply side than the nature of who the registry operator is. The named applicant and the diversity there.

Rosemary Sinclair: Alex would you like to come in now?

Alex Gakuru: Yes, thank you. Alex Gakuru for all transcript purposes. I think as we cosider our competition, one of the things we may wish to look into is the trend, what is happening around the world of consolidation and acquisition. And we may even settle with new TLDswith so many operators that - like are we going to suggest or recommend certain things so that we don't end up all of them consolidating and getting one operator, acquiring all of the other TLDs.

And then at the end of the day we find a monopoly of competition, so I wanted to pose that as a question, thank you.

Rosemary Sinclair: If I could just quickly come back on that. If we think that - has the potential to be an issue in the future, then I imagine in our report we would raise that, but our report would say, for example, "You can measure things now and they look fine, but it's important to preserve the degree of competition over time for the benefit of consumers."

So I would think it could be an issue, Alex that we write in the report. Steve your hand is up.

((Crosstalk))

Steve DelBianco: I just wanted to say that I wanted to agree on - that we should introduce the notion of prices and I did have in the BC definition prices, was they were reasonable prices, so to start to move forward, not necessarily that - I don't agree at all with the marginal cost concept, but there is an ability to compare prices.

Cross-competing suitable TLDs, which is the same purpose and script, as well to previously available TLDs; existing TLDs. And we do want to leave room to compare prices, but not to compare prices to marginal cost, but to compare prices to alternative prices that are offered.

Rosemary Sinclair: Pardon me. Having done some work in the telecom sector trying to figure out what marginal cost looks like, I also would advise everybody to stay as far away from those calculations as we can. If we're going to be looking at reasonable prices in some period in the future, then we might want to, quite quickly, have a look at prices now, so that we've got some benchmarking.

Is there any information source that takes a look at current prices at the moment?

Jonathan Zuck: I'm sorry...

((Crosstalk))

Rosemary Sinclair: Is this Jonathan?

Jonathan Zuck: Yes this is Jonathan. I guess I continue to be concerned about trying to get too specific about what represents reasonable prices, because the initial round has so many different kinds of business models that come into play. I think the last type of competition that's really going to occur is driving their already very low prices down further; I think it's going to be about value proposition.

> So any analysis of pricing has got to include some concept of value, or it's going to be a blind alley, right? I mean, if (unintelligible) domain, but it could still be worth it and it could be worth switching, or at least deemphasizing my dot com presence in order to get the benefit from this new business model.

Rosemary Sinclair:...Rosemary, and then I'll come back to you Margie. The same sort of issue, Jonathan, arises in the telecom sector, for example, if you think about text messages or SMS messages, they are hundreds of multiples of marginal cost, and yet the value to all of us of being able to send a text message is such that we don't even blink at the price of them. So that's the two sides of the coin of course, the cost of providing the service versus the price we're prepared to pay.

> And I think this idea of the perspective of value from the consumers is a good notion and I just - that reminded me to go back to, I thought what was a really important point that Steve made and I just wanted to put it on the table for people to think about, but perhaps a principle of our approach to this is that our definitions and measures are going to come squarely from the perspective of the consumers.

So rather than coming from the perspective of economic regulators or supply side participants, our definition of the measures are going to come from the perspective of the consumers and be expressed in language that reflects that. So perhaps while everybody's mulling on that, I'll go back to Margie, I think?

Margie Milam: Yes, thank you Rosemary.

((Crosstalk))

Margie Milam:...we've got competitors that are addressing these issues and, you know, always, you know, have to worry about the anti-trust concerns when competitors talk about things like pricing. So, I mean, I just want to caution you all that, you know, I know, at least to answer the question that - I doubt there is very much out there that has studied the pricing from the ICANN perspective, at least, you know, as sponsored by ICANN.

And that, you know, we just have to keep that in mind because we are not a regulatory body. This is a self-regulation model. The anti-trust laws in the US are fairly strict on some of these issues.

One of the things that we did in the past in the vertical integration area for example, we invited an attorney - I think it was Amy from the legal department to just, kind of, provide an overview of the limitations, because of the anti-trust concerns to just, you know, heighten everyone's sensitivity to those issues.

And we could certainly do that if, you know, if that's something that you would like, you know, I could again ask Amy to make the same similar presentation here.

Rosemary Sinclair: Okay, well let's. That takes me back to another thought that I had. We need to kind of be listing these major ideas, which is not to say that we agree on them at the moment, or other resources that could be available to us. Could you note that down for us Margie, because we may want to come back to that at some stage in the same way that we're interested in whether there's been any work - in the ICANN context - on competition as a concept.

Margie Milam: Okay; now I will do that.

Rosemary Sinclair: Thank you. Steve?

Steve DelBianco: Thank you. Responding to what Margie said, if we design metrics, definitions and measures for competition, they would be aspirational and not regulatory. The affirmation of commitment is an aspirational document; it's not an imperative to regulate.

We're being asked to do definitions, measures and metrics so that ICANN knows what they're trying to shoot for and that we would be able to measure, you know, year after the first TLD gets into the - first new TLD is launched, because that is what the affirmation calls for.

I had hoped that we had inferred by that, that if we come up with metrics like, number of new entrants, prices versus previous prices, and quantity of operators. We're not suggesting in any way that ICANN needs to act like a regulator and force that to happen. It can do things to encourage and standardize, but the last thing we want to do is turn into a micromanaging regulator of that space for like diversity of supply.

So I'm hoping there's a middle ground here; that we can be aspirational about things like prices and multiple supplier diversity and new entrants without dragging you into a regulatory role. Does that make any sense?

Rosemary Sinclair: Yes that makes perfect sense to me Steve. And I've now put that in my little, kind of, list of the principles of our approach, so our approach is captured by that word, "aspirational," rather than by the word, "regulatory." So I've got that and the consumer perspective.

And then I think the other thing that we're heading towards is a notion of very simple metrics to measure things that can be simply measured that reflect our interests, rather than creating huge pieces of work that require very significant calculation of this, that and the other.

Now Alex, I wanted you to share two links with us. I wonder could you just give us a quick background on those links?

Alex Gakuru: Yes absolutely. Alex speaking I decided to post those two because as we talk of pricing, I didn't want to talk in the abstract sense about pricing literally. So these links do give a sort of a good picture of the pricing and sometimes we look at the market and to see other competition of markets we give sort of an idea; another view of what the situation is right now. And again also, because we are talking like Wendy had put it.

When you are looking at the economics of it and where it comes from, I'm mostly concerned about the ability of suppliers in my region, so if they are all going to be, let's say in North America, then they are going to be elsewhere. The cost domain will be higher for me than somebody who will be where the suppliers are located because of many transactions and/or other related costs.

So I think it's just a guide. It's just something to give us a (unintelligible) view of the current situation and any discrepancies I would like to comment on this. Thank you.

- Rosemary Sinclair: Thanks Alex. I wonder Margie, if you could put those two links in the resource part of our confluence area. Now I've got Steve and Carlos. We haven't heard from Carlos, so perhaps I could go there and then come back to you Steve if that's okay?
- Carlos Aguirre: Okay, thank you. Carlos Aguirre for the records. We are trying to propose a working group and among ccNSO, GNSO and ALAC (unintelligible), but now we are discussing very precisely concepts like price, like marginal cost, like gTLDs, new TLDs. I consider this very risky to discuss these, because we want to have a direct working group and we have the wish to discuss two times, three times, more times the same concepts.

They are very complex concepts. We have different point of view if these concepts come from users or registrars or registries or the other constituencies, so my question is, is it necessary right now to precise the definitions, or we need to wait the other constituencies to join the working group.

Rosemary Sinclair: If I could respond and then, of course, others who wish to should join in. I think all we're doing at the moment, Carlos is looking at the term competition, pardon me, from our own point of view and it's very useful that we've got Cheryl here from ALAC and possibly some others.

But your point is that we have to take our definitions, if we can get to that point, and then see what other groups with other perspectives might think about that and I certainly agree that that must be part of our process, but in fact I was just thinking, it's quite useful to start our conversation on these complicated concepts with a, perhaps, more shared view.

So I think our work will be to look at each of the concepts in the group that is interested at the moment, and then when we get a little further down the track, we should engage ccNSO and ALAC is with us of course, and at some point GAC will have their view and at that point we can take these other perspectives into our thinking before we finalize the report that will then be used by the ESOs and ACs in considering their advice to the ICANN board.

So that's how I think things develop at the moment.

Carlos Aguirre: Okay, thank you.

Rosemary Sinclair: Now we've got about ten minutes to go I think, or maybe a little longer. I was wondering - I think we've had some terrific discussion about competition. I'm wondering in the process sense, and I think I'm talking to Margie; I see Cheryl's hand, at how we can just capture these main thoughts. Of course, once people see them written down then there may be disagreements or other conversation to be had and that's fine.

> So my question to Margie is just how we capture where we're going. My thoughts to the group is perhaps for the next meeting, and I realize that we all have to talk about timing because we run into a holiday period, that we take the next concept, which I think is consumer trust.

And have a discussion that focuses on that particular concept in the way that we have done today for competition and then at the subsequent meeting look at consumer choice, or the other way around if that makes more sense. And perhaps while people are just thinking about that, Cheryl you had a comment.

Cheryl Langdon-Orr: Thank you Rosemary. Cheryl Langdon-Orr for the transcript record. Just struck me looking at the links that Alex was kind enough to share with us. What I found particularly important with the dashboard type approach that I saw there was a value in having such metrics being collected and looked at for trends over time.

I think it's one thing to have a couple of independent resources dedicated to watching prices, which of course depending on how independent or otherwise the collection of the data for those resources and the editing of the data that goes into those resources is, like all statistics can bias outcomes in one way or another.

I think for an affirmation of commitment in measurements of the success of the new gTLD program, which by very definition must be improving competition from a consumer perspective. More choice of names is more choice. What I thought we should try and ensure is, it's clear that ICANN needs to take a snapshot prelaunch, a snapshot at launch of each gTLD and then have some mechanism internally, externally, independent or otherwise which watches what happens over the time in those places.

I think my gut reaction to those links was, "How useful having access to metrics comparisons and then for change over time would be." Thank you.

Rosemary Sinclair: Thanks Cheryl. Steve?

Steve DelBianco: Thank you. You are proposing that the next topic we move to is trust, but we probably ought to reconcile the incredible overlap between competition and choice before we move to trust. And I think trust will be easy. In that respect, I fully acknowledge this came up in Singapore that the definitions the BC put forward for competition and choice have a lot of overlap in them.

Talk about having always from a consumers perspective, a registrars perspective, being able to choose among competing value proposition at different prices from different operators and I was just proposing on the chat a way to give a little more

attention to the supply side and the notion of competition and move things like purpose over to the choice side.

Because a registrar looking to a charity. If I'm setting up a new charity who - relief for the Norwegian victims, I might put in dot nr for Norway, dot org, I might pick dot com or dot net. But I might look for a new TLD, like dot give or dot charity. Of course I'd want it to be in the script that's used in Norway. It has extra characters that aren't in the ASCII set.

And maybe the Islamic world wants to give to that Norwegian charity to show empathy with the victims. And there for I'd want an Arabic script, you know, be available. And so what I get to over and over again is registrars well as donors or users in this case, want to be able to find a domain name in the script and purpose that suits them.

There may be, under the choice definition, there may be the fact that a lot of our new TLDs could be closed and we might have a TLD with dot give or dot charity that has very strict requirements to get into. And then again we might have a charity oriented TLD that is wide open.

And then it's easy to spontaneously begin a charity. You know, I know that that comes with less security and safety, but that's part of what choice might be about, is that we could have a variety.

So my guess is that I'd love to, from the standpoint of the definitions that I have prescribed here, I'd love to show some flexibility of moving things from the competition into the choice definition and vice versa. Get those two cemented down before we move on to trust.

Rosemary Sinclair: I think that's a really good suggestion and I wasn't suggesting that we cement things assuming that we've, kind of, done what needed to be done in that sand pit. Like you Steve, I see this as quite an iterative process.

I was just concerned to make sure that at least we had a first task through the three areas, so that we can have the sort of discussion that you're suggesting, that something might be better captured in the competition definition or moved, as you said, to the consumer choices definition.

So I'm certainly...

Steve DelBianco: Rosemary on the chat I put in, just to keep moving and to be a concensus builder, I embraced two or three concepts from Wendy's definition and smushed them into the competition definition. Again, the BC hasn't seen any of this. This is just me. And let's see what people think about that.

Rosemary Sinclair: Okay great. So you'll send that to us, or can we get it...

Steve DelBianco: You should have already - scroll under the chat and you'll see what I typed in.

Rosemary Sinclair: Okay...Margie is it possible to get that out of the chat and just put it somewhere on our work area so that we don't lose it. And you've go your hand up Margie.

Margie Milam: Yes, yes I can do that and also too, to help visualize these - the concepts they're talking about I've prepared like a spreadsheet that has like a definition and has different, you know, concerns that have been raised related to the various definitions.

We did something like this for those of you that were involved in the PDP work team where we had the spreadsheets that kind of, it took down the notes and made it easier to at least see what has been discussed before and then from that, you know, as the discussion progresses, you know, can come up with a concrete definition, but at least you will have captured the idea that took place in the various calls.

Rosemary Sinclair: Yes that would be terrifically helpful I think. Okay so the thought is that next time we concentrate on the consumer choice topic. Do we want to just quickly have a look at the two definitions that we've had proposed to get our discussion going on

consumer choice? Steve would you mind just taking us through the BC proposal and then I'll take us through the Wendy proposal.

Steve DelBianco: The BC proposal for choice is the availability of POVs that offer competing propositions as for the purpose and registration of the domain name registrar. What the hell am I talking about there? This is something we worked up by saying that differentiation in the TLD space was the key to the new gTLD program.

We didn't need more English language Latin script general TLDs. We needed differentiation and that's what's meant by purpose. A special purpose TLD would be a dot bike or a geographical TLD, dot Berlin. They have more, along the lines of community or special purpose.

The word integrity is in there because the value proposition, the choice that we'll make will often hinge on whether the TLD operator is going to propose in their contract that they will do integrity insurance on the registrar, meaning they will vent the registrars to ensure that they belong to the community or they may promise that they ensure certain quality control standards, or anti-fraud privacy protective standards.

ICANN cannot dictate any of that, but the promise we've made to the plan is that you would offer lots of new innovation. It's not innovation to have a new TLD called, you know, dot web. That's not innovation. It's only innovation if we start to see some differentiation in generic TLD and that will occur in the purposes and proposed integrity of the registrars who will get in there.

And that will show up once the registrants choosing where to register their name or to hang their brand. It will also show up for users. I do a search for a charity. I want to give to Norway. When I get those search results back from Google or Yahoo, I'll start to pay attention to what TLD they live in and I might actually trust the dot charity or dot give search results more than I might trust the dot org.

I hope that's not the case, but it may be the case if dot give and dot charity have spent a lot of money to vent the registrars to be sure that they are reputable donation agencies. I'll stop there.

Rosemary Sinclair: Okay thanks. And if I just read from the notes area Wendy's proposal. Choice is the ability of domain name registrant to select among diverse strings and competing registries to find products and services that meet their individual needs.

And then she...

((Crosstalk))

Rosemary Sinclair: ...diversity might include jurisdiction and policies. Okay, so hopefully Wendy will be on our next call so that she can talk us through the nuances of that definition. Could I just comment on Carlos's comment in the chat?

I think what I'll do Carlos is to make that point in the draft later that I send to Stephane when we're reaching out to the other groups to say that - just exactly what you said, that these concepts are very complex and that we need different points of view to be able to really understand the perspectives from the point of view of all the members of the community in ICANN.

So if you're okay, then I'll make those points in the letter, because they are very important. Now I think we're at the end of our time. Are there any final comments? I see John's hand. John do you?

John Berard: Sure the only comment that I would like to leave with is that there is a difference in the advice that comes from an advisory council and one that comes from a supporting organization. One is advice and one is policy. And if we believe that we can establish this on the basis of advice, then we really don't need to try and go down a road that some of the folks on the phone think is going to be bumpy.

If advice is enough, then, you know, the GNSO council or the ccNSO council don't need to be that much involved and ALAC or one of the other advisory councils can take the lead. The idea is to respond to the board's motion from Cartagena, you know, so we're not six, seven months into it and if we can accelerate the path by, you know, considering the value of offering advice or offering policy guidance, if that can be helpful then maybe we should do that too.

Rosemary Sinclair: I'll take Steve and then finish up with Margie.

Steve DelBianco: John, this is Steve DelBianco. On last weeks call, we discussed that extensively about wanting to keep the ACSO Council engaged so that as the advice bubbles up from this working group, in the best of all worlds is a single body of advice that the floor - or the participants from all four groups have shared.

But as each of us, - as we send it off to GNSO council or send it over to the ALAC or ccNSO council, we understand that each of those respect that ACSO is, they may or may not endorse all of it. They may warmly embrace it. They may decide to differ - that can be part of the advice that goes to the board as well.

So in the best of all worlds, it's just one big happy joint working group. We have a consensus set of advice, not policy. And that advice - it would be inappropriate for us to just fire that letter into the board and bypass the ACSO counselors and that's why we wanted to run it through them.

And that's one of the reasons why we ended up taking on the extra heavy structure of having a charter, so that when our advice bubbles up to the GNSO, or ccNSO or ALAC, they'll know what to do with it. Of course we can't tell them what to do and we do hope they'll endorse it and send it on to the board. Does that make sense as an answer?

John Berard: It does to me if you're asking me directly.

Cheryl Langdon-Orr: If I could just follow in there, Rosemary from Steve's statement. Cheryl for the transcript record. Of course, that's exactly how the At-Large Advisory Committee is designed to create its advice in its version 3.0, which is where we are now.

The existing ALAC, which could in it's own right simply sit down and make up it's own mind, because of the bylaws, we're the only ones who actually need to make the advisory on behalf of the rest of humankind, to the board on these issues.

We choose to have a model that brings in as much multi-stakeholder bottom up consensus built input into the formulation of that advice, so the outputs of a workgroup such as this, be it co-charted, jointly charted, or you know, coming from five different sources. It ideally taken into account and the less repetition and the thinner we have to spread our volunteers in that process, the better.

Rosemary Sinclair: Thanks Cheryl. Margie.

- Margie Milam: Yea I just before we closed I wanted to address the issue of our next meeting. Rosemary have you given any thought to when you'd like to have the next meeting?
- Rosemary Sinclair: One of the things I just wanted to check with people about, because I understand that our European colleagues, I'm not sure about people in the US, are going on an extended period of leave now. So I was going to put up a straw proposal of three weeks to see how that suited everybody, or if people are keen to keep going with the two-weekly call then I'm quite happy about that.

I just wanted to give us a chance in this meeting to see where people thoughts were on this particular topic of when we should try and schedule the next meeting. Cheryl is okay with the two weeks and I'm also okay with the two weeks and the time. Is there anyone on the call for whom this is really going to be a problem?

Margie Milam: It's Margie. As a staff support here, if we do it the first week of August that - sorry the second week of August, between the eighth and the twelfth that would be the best for me because I'm on vacation prior to that and then I have surgery right on the twelfth so

I'll be out for probably a week or so. So it would be a while if you need my support. So I'm suggesting August 9, 10, or 11.

Rosemary Sinclair: Okie Doke. So if we did it at this exact time in two weeks, what date would that be Margie?

- Margie Milam: That would be the eleventh.
- Rosemary Sinclair: The eleventh, well okay why don't we shoot for that and Steve is suggesting that we take 90 minutes next time and I'm okay with that. What about others? Why don't we shoot for that and those people who can't stay for the 90 minutes can just leave the call when they need to.

Margie Milam: I'm sorry; actually it's the tenth if you're talking about Wednesday at this time.

Rosemary Sinclair: Okay, so Wednesday the 10th for you

((Crosstalk))

Margie Milam: That works for me fine.

Rosemary Sinclair: Mainly because we need you. We will all reorganize our diaries around you Margie, trust me. Alright well would you mind sending out something to everybody Margie, just letting them know that there is - and it looks like we're happy to have it go - a 90 minute call, so let's try that as well.

Margie Milam: Okay, got it.

Rosemary Sinclair: Okay thank you everybody. I think it's been a really interesting and productive discussion and it's certainly nice to be focused on the content rather than the process. So I look forward to chatting in a couple of week's time. Bye for now.

Margie Milam: Thank Rosemary, bye all thank you very much.

END