

**SO/AC New gTLD Applicant Support Working Group (JAS)
TRANSCRIPT**

Friday 19 August 2011 at 1300 UTC

Note: The following is the output of transcribing from an audio recording of the SO/AC new gTLD Applicant Support Working Group (JAS) Friday 19 August 2011 at 13:00 UTC. Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record.

<http://audio.icann.org/gnso/gnso-jas-20110819-en.mp3>

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GNSO

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Alex Gakuru - NCSG

Andrew Mack - CBUC

At-Large:

Tijani Ben Jemaa - AFRALO - At Large

Carlton Samuels - LACRALO - At Large - WG co-chair

Cheryl Langdon-Or - ccNSO Liaison - APRALO

Alan Greenberg - GNSO Liaison - NARALO

Olivier Crépin-Leblond - ALAC chair

Baudoin Schombe - At-Large

Evan Leibovitch - (NARALO) - At Large

John Rahman Kahn - Individual - Adobe Connect

ICANN Staff

Kurt Pritz

Rob Hoggarth

Seth Greene

Wendy Profit

Glen de Saint Gery

Apologies:

Karla Valente – ICANN Staff

Carlos Aguirre - Nominating Committee Appointee to GNSO Council

Dev Anand Teelucksingh - LACRALO

Alain Berranger - Individual

Michele Neylon - RrSG

Krista Papac – RrSG
Cintra Sooknanan - At-Large
Dave Kissoondoyal - At-Large
Elaine Pruis - Minds and Machines

Coordinator: The recording has started, please go ahead. Thank you.

Glen Desaintgery: Thank you Veronica. Good morning, good afternoon, good evening everyone. This is the JAS call on the 19th of August and on the line we have Rafik Dammak, he's on mute at the moment, Carlton Samuels, Cheryl Langdon-Orr, Tijani Ben Jamaa, Alex Gakuru, Baudouin Schombe, and Alan Greenberg.

And for staff we have Kurt Pritz, Rob Hoggarth, Seth Green, Wendy Profit and myself Glen DeSaintgery. Have I left off anybody or is there anybody on the Adobe Connect that I've left off?

I don't see if that but if there is please let me know. Otherwise over to you, thank you very much Carlton but just may I remind everybody to say their names before they speak for transcription purposes.

Thank you very much, we have also - sorry Carlton, we've also got apologies from Avri Doria, Krista Papac, (Deb Antillaluksing), (Carla Shagrita) and Cintra Sooknanan.

Now it's really over to you Carlton, thank you.

Carlton Samuels: Thank you Glen. Good morning, good afternoon, hello everyone. I am starting because I will only be here for about a half an hour and my colleague Rafik Dammak is taking over. He's actually scheduled to chair today but on account that he's not able to join us now, I will start for him.

Members we have made some progress with a small change we have made in the development and the finalization of the draft final report.

The - for members who have not seen their email I have just put the London page for the draft report in. We've made some changes, it's - and some format changes.

I am going to invite Seth and Rob here who have been instrumental on working on this for us to explain to the membership what we have done here and what we intend to do moving on.

Seth, Rob? Could you just speak and tell members what this means?

Seth Green: Sure, thanks Carlton, Rob would you like to go ahead?

Rob Hoggarth: Sure, I'll give it a shot Seth and then you can clarify any points that might not have been as clear as we'd like them to be.

The current version of the draft doesn't reflect all of the behind the scenes effort, I wish it could be more for you all but I think we're in a good direction based on the advice from the chairs and the drafting team after the last call.

You'll recall at the last call on Tuesday there was a working group called an afterwards small group of drafters and the chairs got together.

And based on their direction what we did was we slightly changed the format of the document in that we moved all the background historical information to the end of the document back to an appendix.

So the document starts much more effectively with straight into the recommendations of working group. The other thing that the drafting team thought was very important was to improve the discussions on this call as well as for references when you all comment in writing is that we basically purged all the formats from the various contributors that were embedded in the document, stripped all that out and then started with a new format that includes paragraph numbers.

The hope there is that with automatic paragraphs it will be much easier to reference points of the document and the rest. So for the most part the document as it exists now is just a reformatting complete rework of the original one from just a format perspective, not substantively.

The one area where there were some substantive edits were in the capacity building section that you all discussed on the last call. So that has been done and we produced the red line version that shows not only those changes but all those changes but the complete gobbledygook of all the format changes.

So it's a real colorful document when you look at the red line version. The clean version is probably where we want to start from as our recommendation is moving forward based upon what the drafting team discussed a couple of days ago is that what you now have up in the notes pod in Adobe connect does reflect a paragraph numbering system.

It doesn't match exactly what's in the document itself just because the format doesn't translate onto the wiki or in this case the Adobe Connect pod.

So what you'll have in front of you at least from a meeting by meeting perspective is a demonstration or basically a - the text of the final report with numbered paragraphs so you can all discuss very clearly what's in front of you on the screen.

It matches to the content of the draft final report and I think Seth what we're trying to do is get the numbers to flip right but formatting between a Word document and Adobe Connect is not very easy.

Is there anything that I've missed Seth in terms of process or what folks have (unintelligible)?

Seth Green: Thanks Rob, well I would just add that I just want all of the work group members to be very careful please when you're dealing with the document, whether you're reading it for review or for whatever reason that you be very careful of the draft that you're on.

We're going to be producing new drafts possibly almost daily, the drafts in the document titles, the drafts all have the dates and it will be very clear the most current draft will always be on the main landing page of the wiki

And as we change the document, as we edit it and reorganize it a little going forward of course the page numbers are going to change.

For example in today's meeting, we're going over the section having to do with the evaluation process that used to be on I believe pages 20 to something else, now in the current draft it's on pages 25 to 30.

So you just have to be careful of that, I think there's no way of our getting around that so we're just asking members to be very careful and as you see in the notes pod on the title report text to be reviewed on 19 August 2011 from pages 25 to 30 of the 2011-08-18 draft.

So whenever we have page numbers we'll probably need to have the draft date there. That's I think all that we want to speak about. Carlton perhaps you want to just mention going forward are we going to retain the comments to be put in the wiki which we certainly could.

Or are we going to ask for separately whole reviews such as the one that - what we've been calling the good citizen hold reviews such as Alan's volunteered to do.

I don't know where you stand on that Carlton.

Carlton Samuels: I - thank you Seth, I would still want to give people an opportunity to play and I was going to say something about the whole review. Alan's had his hand up for a little bit so I'm going to give Alan a chance to comment here. Alan, you have the floor sir.

Alan Greenberg: Yes, I just have a question. You talked about the page numbers changing from draft to draft, is the intention of the paragraph numbers stay the same so that even if you add a paragraph or switch the order for the time being the numbers will stay the same?

Or are they automatic numbering which will change as you make changes?

Rob Hoggarth: Alan this is Rob, yes, the new format has automatic numbering of the paragraphs so to the extent that we edit or add those numbers will change.

Again as Seth points out it's - we had to finally pick something that worked.

Alan Greenberg: No, I'm not criticizing, I just wanted clarity because you had talked at some length about page numbers but not the paragraph numbers, thank you.

Rob Hoggarth: Yes and one other point that I'd like to make in terms of next steps. Seth and I have set up a schedule, we are going back over the last - it's now the last four meetings prior to the prior meeting.

We're going back through each line of the transcript to capture those comments from members of the working group. That hadn't been done up to the last draft so we're going to be doing that over the weekend.

And I hope get that done prior to the next call so we're trying to go back and capture everything else as well just doing a double check, a review, the other thing that you'll see in the document is that there were areas where you know we've changed words or tried to improve the flow a little bit.

But we didn't do a wholesale, we just didn't have the time to do that prior to this call. So that's going to be something that we continue to try to do as well.

Right now the current version is frozen until we get some feedback from you Alan you know whatever you can provide over the next couple of days.

And of course we will be updating what you all discussed and agreed to in the support evaluation process section that you'll be discussing today.

Alan Greenberg: I'd like to think I'm not the only one doing this review given that we're potentially less than a week away from finalization.

Rob Hoggarth: The only thing we want to hold off on at least for just a moment, this is Rob again is just to make sure that we're not now editing what we just sent you all and further confusing things.

So we are going to wait a good 24 hours before we do that.

Carlton Samuels: Thank you Rob, I suggest that yes, that is a good idea and I'm following up on Alan's comment. Members, Alan is kind of committed himself to help us by reading ahead. We had to have a session where we looked at the entire report as a whole because you know when you look at the report as a whole in the context of what the objective is, then things that look so good in part in a whole does not hang together.

And Alan has committed to helping us there. This is not to say whether I'm doing a review myself, but I would encourage members who are so

inclined to look at the entire report that we have at the minute. And try to read ahead.

That was the intention of having the whole report placed on the record and giving an opportunity for people to know when we were going to discuss portions of it, so people could read ahead and prepare themselves.

We are reinforcing it here again, Alan is just - has just stepped up and in fact to lead the charge and that, and thank you very much for that.

I see Rafik is here, Rafik we've gone through and talked about the preface, I know you know already what we were planning to do. So I'll turn it over to you to begin the substandard discussion for the day which is the evaluation process included in the process flow.

Rafik it's over to you. Rafik? He tells me he's on. Is Rafik muted?

Glen Desaintgery: He is indeed on mute.

Carlton Samuels: Can you unmute him please so he can...

Glen Desaintgery: I'll get him unmuted Carlton.

Carlton Samuels: Thank you.

Seth Green: Perhaps Carlton may I while Rafik is becoming unmuted may I just add one thing regarding the reviews? Thank you Carlton, I just want to point out for Alan and anyone and Carlton and anyone else doing a

whole document review, as we said we have not wordsmithed from start to finish yet.

So you - there obviously will be awkwardness in the flow, in the wording to save yourselves a lot of time and the pen holders, you don't actually at this stage necessarily have to worry about that knowing that we will definitely be going back and taking - and doing an edit of all of that.

Right now I think most importantly we're just interested in the substance as far as the accuracy goes, as far as representing the consensus opinions go, that's much more important at this stage as far as what we need to get done.

I just wanted to mention that as a time saver for the work team members as well as ourselves. Okay thank you Carlton.

Carlton Samuels: Thank you Seth, so noted. Rafik is now in control, Rafik you have the (unintelligible).

Rafik Dammak: Hello, can you hear me?

Carlton Samuels: Yes I can hear you, we can hear you.

Rafik Dammak: finally. Okay so I was saying that now we are going to discuss about the evaluation process and I think that Karla already sent the two documents of the main (unintelligible) for people to review.

So now we are also going to the report number line so to make it more easy for people to make their comments and feedback.

And so these comments will be captured by Rob and Seth so please make as much as you can comments and feedback so we can have substantive content to it. I see that (Andrew) is raising his hand and also Rob. So let's start with (Andrew), (Andrew) please go ahead.

(Andrew): Thank you Rafik. Just popping up on something that Rob said and as someone who's done some writing on earlier versions of this and will be doing a review.

My - I agree completely, we don't need everybody to be wordsmithing. I would make one suggestion though, we have become - some of this language is you know almost a year old at this stage.

And we've become fairly comfortable with it and have heard it many, many times. And in a first read it might be very helpful for us if anyone who's reading this sees a place where either you think it's unclear or you think it's awkward, like you don't need purpose - it doesn't even need the meter proposes new language, markets (unintelligible) saying please rework, awkward please rework it's not completely clear.

I think that would be helpful for whoever ends up with the pen to do the final polishing, thanks.

Rafik Dammak: Okay so shift down the road to understand what you are saying, you were suggesting that we for review we only really focus in the new parts, not those which were present - which exist in the first milestone and the second milestone report. Did I understand you correctly?

(Andrew): Okay no, that's not really where I was going, sorry, although I think as little as we can go back and rewrite the history is best and my apologies if I'm talking a little fast.

My suggestion was only this, it's going to - somebody's going to have to pull all the final - or some group, small group is going to have to pull all the final document together and polish it so that it does one of the things that Alan talked about, that it has a kind of coherent voice throughout.

All I was suggesting is in addition to Rob's earlier point the people as you go through and read the whole document, you don't need to come up with new language.

But if you find a place in the new document where either it's really unclear or you really think it's awkwardly stated just mark it as such.

And then whoever does the final - or the final writing team can go back and make sure that they address those specific places to wordsmith there.

That's my suggestion.

Rafik Dammak: Thank you (Andrew), I guess that Rob had said go to your point, so just saying - reading the comments from Avri.

Yes, Avri, Rob said during the drafting team works and yes, we are the reviewers and they are trying to capture our feedback and comments.

So that's what we are - I think that was talking about at the beginning and Alan volunteered to that first.

But we encourage everybody to do it. Okay, so let's back to the Seth sent us, I think we talked enough about the process but let's look above evaluation process, it's important we have also the process flow.

So maybe we can go through the document from page 25 to Page 30. Okay Kurt, yes please go ahead.

Kurt Pritz: Thank you, I just wanted to point out that a couple weeks ago at the working group's request we sent a proposed flow for discussion, it was a graphic that we could post and discuss.

It was taking - I think it was Evan's original flow chart and we took from that met as a team and developed another flow chart for discussion.

So I don't know if you wanted to put that up and discuss that because sometimes it's easier to you know discuss a graphic and get an understanding of the flow and then it's easier to put words to that.

But it would get us to place out several issues associated with process flow.

Rafik Dammak: Yes Kurt, yes, that was the point I think. So - but I'm not sure that we can put the graphic in the Adobe Connect so we - let me think, asking everybody to check in the link that was posted by Seth in the chat room.

And then trying to get people's feedback about it. Kurt, you want to comment? Okay Kurt because your hand is still raised in Adobe Connect.

Kurt Pritz: Yes, if everyone can look at it I'm happy to take us through the thinking behind the flow chart, but if everyone can't see it then I don't know if it's worthwhile or not.

But I'm happy to take us through the flow chart if...

Man: Hey guys, the flow chart link doesn't seem to resolve, it doesn't come up.

((Crosstalk))

Man: Sorry to interrupt but I thought that was important.

Carlton Samuels: I can - well let me just put one in the wiki and see if it works. All right, unfortunately I didn't do it from the wiki, I did it from...

Rafik Dammak: Okay, I think you can find the link on the landing page of the wiki, okay? Also you can find it in the last email sent by Karla to the mailing list.

Cheryl Langdon-Orr: The one in the chat works fine now.

Rafik Dammak: Okay. Let's go and - okay so I hope that you could review that flow to the call, so any comments, any questions we have Kurt here, maybe he can answer some questions about the flow.

Kurt Pritz: This is Kurt, if you want I can take five minutes to go through it.

Cheryl Langdon-Orr: Kurt, Cheryl here, I think that would be greatly appreciated if you just take the bull by the horns and take us through that would make sure we not only are all as one on this call but it is recorded and others who are not on the call can make sure that we're all from the same foundation point. Thank you.

Kurt Pritz: This is Kurt, Rafik is that okay with you?

Rafik Dammak: Yes, I was going to ask you to do that, but anyway, yes please go ahead.

Kurt Pritz: Okay, this is Kurt. So on the left hand gutter of the flow chart are listed the characters in the play.

So going down there's the applicant who is the applicant for support and also the new gTLD applicant. There is a review panel that it's generically called review panel but the independent panel, independent of ICANN certainly.

And at the end of the day you know would most probably take on a forum as recommended by the JAS. There's a role for ICANN and then at the bottom the TBD are - is an entity that would hold funds in escrow.

That can be disbursed, so if we start to go through the flow chart at the upper left with start, you know that's the first big activity is apply for support which is what the applicant is doing.

Now notice that the annotation says only financial support so this flow chart is for applicants applying for financial support.

The independent review panel receives the application and does a review based on selection criteria again it will be board approved but you know viewed as the criteria developed by the JAS and makes a decision.

And then would - in the arrow that where the funding is approved would inform the applicant and ICANN of the amount. So the annotation here you can see is that the amount is discretionary so in our view the panel can award any amount of money.

But there's no doubt going to be a limit to the funds overall and some limit to the amount of funds given out in each case.

So I think the JAS is going to make some recommendations about this based on how the fund is limited or not limited. So for example if the fund was limited to \$2 million or \$2 million plus allocated by the board, and JAS saw X amount of applications it could decide to make awards up to say \$100,000.

And - but you know anything less than that or the JAS could decide that awards larger than that or smaller than that are allowed and so all this says really is the amount of the grant is really just limited by the amount in the fund and then the discretion with which the JAS decides to give the panel.

So I could give out a lot or a little. ICANN would then receive the information, receive the decision of the panel and one, the arrow going up it would notify the applicant.

So the applicant would now know it has funding so it would apply for a TLD in the TAS system immediately - you know TLD automated system that's being set up to apply for an application.

So the idea here is that the applicant doesn't have to make a decision to apply for a TLD until it has notification that it has funding.

There's also an assumption built here you see that while the decisions is made based on selection criteria created by the JAS, it is not - there's not really a pre-review or a pre-evaluation of the application.

We decided that for a couple reasons, one is the expense of energizing the evaluators for an early evaluation and two is just that you know we think that a decision on whether or not to apply has to come after the applicant knows whether they're going to get money or not.

So the applicant submits the TLD application in TAS and in the meanwhile, ICANN releases the funds that have been determined by the independent review panel from its funds.

So in this flow chart this focus is mainly on a pot of existing funds. So say that \$2 million or money is collected in excess of that.

Now an interesting aspect of this flow chart is that whoever is holding the funds, the TBD guy way down at the bottom in salmon color would send the funds to offset the applicants application fee.

So this would be an area of discussion, should the funds go to the applicant or should the funds go to offset the application fee?

There are two reasons why this flow chart says it should just go to offset the application fee. The first is that you know we think these dollars are very precious and this is one way to prevent gaming or abuse of the money to actually send a write in and have it apply to the application fee.

The second reason why we think this is okay is you know money is the world's ultimate fungible resource so that you know bonafide applicants looking to start up registry operations or make an application or perform other tasks, you know all those things at the end of the day cost money.

So it really doesn't matter if you're doing all those things, where the money applies. So I think this you know this methodology serves the applicant equally well and is one step that we can take to prevent abuses.

So then the funds get applied to the application fee and then the application is successful then you go on and get delegated. If the application is not successful either because the applicant withdraws or fails in an evaluation or there's an objection or their GAC provides advice that the applicant should not go forward then still be a refund

and so the refund will be the amount that's ever called out in the applicant guidebook.

And then the fund would receive a refund and then the excess funds would go back to the applicant. So that is - this flow chart was developed gosh, I think six of us sat around a table and in a couple, two or three hour meeting starting with I think it was Evan's flow chart, you know and the principles based in there we focused on.

So as you can see it's not just the flow chart right, because there's several assumptions about the process and how it's going to work are built into it. And so those are probably more points for discussion than the flow itself which is pretty straight forward.

So that's the answer, I'm happy to answer any questions with Rob or Seth or anybody else. Am I still on the phone?

Avri Doria: Oh yes, I can still hear you. I just haven't been called on yet so I wasn't speaking yet.

Kurt Pritz: Rafik do you want to call on people?

Avri Doria: Yes, is Rafik still on the phone? Well can I start my questions, does anybody mind if I start my questions while we're waiting for Rafik?

I guess I have two, first of all thanks a lot for doing this because I think it does show where there's probably still gaps in the assumptions and perhaps because this is working from an earlier set of assumptions it seems problematic to me.

One of the things is that the financial support includes this whole notion of the fee reduction for the applicants.

And so that doesn't seem to really be reflected in this notion and certainly not in your explanation of you know this is just coming out of a \$2 million fund. So that's one thing that I think I see a mismatch.

The other thing is this sort of end to begin dependency on first getting approval and then putting on the application because of the warnings that you've given about early task filing and you know still having time to finish the application but getting started.

So I would think that you know there would be a begin dependency as opposed to beginning end sequential dependency and that's just you know in sort of a structure of the planning, you know whether it's - especially since you know this financial review program won't be ready to start that much before your January 12 start date, one would assume that they'll be almost coincidental.

And so some linkage, you know probably need another timeline there to show how the application timeline you know TAS payment all that figures in.

But the most important point I think is the first one that you know yes, the SARP is reviewing all sorts of plans for grant of money from the fund that has been initiated by the board for the \$2 million.

But that is a separate thing also from the fee reduction recommendation that's being made by the JAS group and also has been made by GAC and ALAC. Thank you.

Rafik Dammak: Thank you Avri, can you hear me?

Man: Yes.

Rafik Dammak: Can you hear me?

Man: Yes we can.

Rafik Dammak: Okay, thank you. So Kurt do you want to answer or we go through the queue, Evan and Alan?

Kurt Pritz: So I'll take a shot at it, the second question first we thought - you know we thought the applicant would not want to go ahead with an application unless it knew it was getting financial aid because you know it's - I think it's a common understanding that the applicant couldn't go ahead unless it got financial aid.

And so that's why the flow chart has you know the decision serially with the submitting the TLD. You know we all know also that time is very short, if we could get to a place where the board you know approves whatever financial aid there's going to be and the methodology and the cost, I think ICANN could make you know that money and the process defined by the JAS and approved by the board available almost right away.

So...

Avri Doria: Can I make a quick recommend? Yes, I think part of what was being proposed by the JAS is that that \$5000 TAS fee would be refundable if they didn't get the aid.

But getting started and especially since the JAS group has recommended that people have at least the \$45,000 worth of money.

So having that \$5000 to start the TAS and not take the risk of being shot out by not having completed all the pieces of the application in time.

I don't think anybody could wait for a decision before doing the application filing so I would just ask that to go under consideration.
Thanks.

Kurt Pritz: Okay, so that's a good point and then yes, so the second part's a lot harder and that was a question that I think you Avri asked me a couple weeks ago about the interpretation of the board resolution.

And you know I've - you know I'm always loathe to interpret board resolutions you know so at the end they're going to say one thing or the other, I would you know - my personal thought is that their original intent was to couple the fee reduction, two things, one is to couple the fee reduction with the \$2 million fund or the \$2 million plus extra fund.

And use that's to reduce fees and then there was a second part of the resolution that listened to the GAC and I think the JAS picked up on this really well because the GAC talked about developing countries and aid for applicants in developing countries.

And JAS has done a good job of parsing that a little bit and expanding on that and saying it's for applicants in developing economies. But - so this - yes, so this flow chart addresses that part of the aid where there's a fund created by ICANN that reduce - can be used to reduce the fee.

So I think the flow chart kind of works even in the event that there is fee reduction because, you know, we would just need - we would still need to identify those funds to replenish the - and so we'd need some escrow agent down below to keep track of and figure out when and how to replenish those funds.

But I think the - I think at the end of the day the JAS should - and all of us should be ready to listen to the, you know, Board interpretation of that and we'll try to get that as soon as we can.

Man: (Unintelligible).

Rafik Dammak: Thank you Kurt. We have Evan, Alan and then (Andrew).

Evan Leibovitch: Hi Kurt. With all due respect, I'm going to ask you to go back to the drawing board on this almost totally. On one hand you're saying that we should be (loath) to interpret what the board is saying.

Then go ahead and interpret the - interpret what we're asking for in a way that almost totally repudiates what was in MR2 as well as goes against the GAC and ALAC recommendations, which explicitly talk about a fee reduction that doesn't have anything to do with the fund.

As a matter of fact what's been talked about so far within the JAS group and goes along with the ALAC and GAC recommendations are fee reduction independent of what is in the fund. And the fund is used to fund non-ICANN expenses. There's something a little almost odious about having ICANN populate a fund with money that goes right back to ICANN, you know, basically paying itself.

So on one hand it seems like we're almost going back to square one here and having to re-fight this all over again. This has been discussed. This has been discussed and dealt with before milestone Report 2. And it seems like we're going back as if none of that happened.

I'm really going to ask you not to get into the interpretation of what the Board might want to do and ask and try and have this document reflect what the committee has been working on from the beginning and that is fee reduction and using the fund to pay for non-ICANN expenses. Thank you.

Kurt Pritz: If I remember two sets that you were very careful in advising the group about developing methods for avoiding gaming and abuses. And so with the knowledge that, you know, money is fudgeable so it doesn't matter at what point the applicant gets it, it just needs X amount of money to apply for a gTLD and start registry operation.

You know, the (front) of the group putting this together was that one way, you know, avoid abuses was to apply the money to, you know, to the application fee. Having said that, again I don't think - I don't think when the board said it would make a \$2 million fund it necessarily

intended to eliminate just that and that it could be put to other uses.
So, you know, I think that is open for discussion and recommendation.

But one way - so I agree with you there. And one way to avoid those abuses though is to channel all or most of the funds right to the application fee. So it's just an attempt to preserve, you know, really precious dollars.

Evan Leibovitch: I don't think you've answered my question Kurt.

Kurt Pritz: Which is what?

Evan Leibovitch: Which is why is the current proposal going back on almost everything that this community group has asked for, which is applying the fee reduction and having the fund go to non-ICANN expenses. That is what the community is asking for.

Kurt Pritz: All right. Well I - first of all I answered the second part of your question. Why we - why it was thought this might be a better approach because it prevented abuses while still helping applicants the same amount. But then also said if you want to change that aspect of the flowchart, you are welcome to. That there's nothing in the Board resolution that said that can't be done.

And then if you want to, you know, there's nothing in this flowchart really that says that the availability of financial aid of applicants is limited to that \$2 million fund. It just puts those funds in a private escrow holder named TBD and those funds are released on notification from the independent panel that makes these decisions. So you could just...

Evan Leibovitch: (Unintelligible).

Kurt Pritz: ...so you could just...

Evan Leibovitch: ...and can it please be made clear that the fund money is not to go to ICANN to reduce fees but to be used for non-ICANN expenses such as registry service providers?

Kurt Pritz: Sure. If you're, you know, this is just a draft. It's your flowchart. We can do whatever you want with it.

Evan Leibovitch: Okay. Well consider that request made.

Man: (Unintelligible). Excuse me.

Rafik Dammak: Thank you. We have Alan and then (Andrew). Alan.

Alan Greenberg: Thank you. I guess I disagree a little bit with Evan in terms of how far back to scratch we have to go. The flowchart basically will work for this scenario that Evan is talking about with the exception I believe of who the funds are released to -- they might have to be released directly to the applicant -- and how the refund is handled if the application doesn't go through.

So I think the overall flow still says that we need a process to get applications in for the relief of whatever it is we're relieving and approval. And I don't think most of the changes but clearly the flow of money may change in both directions.

Kurt, one of the questions I came up with immediately in looking at this is what - where are the demarcations between the blue, green and pink. As I see it the panel has to make its decision at least a few weeks before the end of the application period because you've got to give the applicant at least a little time to complete the application. And presumably the application has to go into the panel enough time so the panel has an opportunity to do its job properly.

Am I correct on those two rough timings? Although clearly we'll have to put real dates on them; but is that the intent or were you thinking something else?

Kurt Pritz: I think that's approximately right. You know, the application has to be submitted, you know, before the close of the application period. So how much - so, you know, I think in the best world we're giving out money by the, you know, by the beginning of the application period say the beginning of January. But that was - so, you know, I'd...

Alan Greenberg: Clearly that's not going to happen.

Kurt Pritz: ...I'd like to hear - yes, so, yes, so I'd like to hear the, you know, the group's thought on this and we can go back and put some additional thought into putting dates around each arrow.

Alan Greenberg: Okay. Thank you. The other question I had relates to your comment that this is - this - the application to the support group - the review panel is going to be done before the application is actually submitted. Clearly that's reasonable given the timing we have. On the other hand, there's going to have to be a process by which the funds are not

release unless the application is essentially congruent with what was said to the review panel.

So in other words, the review panel will be looking at a pre-application, which will include information about the applicant and what they're planning to do with it. Their decision is going to be made based on those - on that information.

Clearly there's going to have to be a verification that what is said in the formal application that the applicant will be bound to in the long term is not identical, congruent with and similar to what was said at the fund granting applications. So that's something that doesn't show up in this chart and I think is really critical. Thank you.

Kurt Pritz: Well this is Kurt. I think that - I don't know if I'd ask you to rethink that but that seems like an expensive check and I don't know how much - I understand the spirit behind it and it's a good spirit. But a parallel is the new gTLD application itself, right.

So the application is really, you know, a bunch of promises that the applicant is making. And the applicant is free to change their business model along with changing conditions or, you know, other necessities or opportunities that come along after their, you know, they pass and their granted TLD.

So we don't, you know, in certain cases the applicant has to live up to his promises. You know, those ones around stability and security and meeting other obligations in the registry agreement. But it's free to make other changes. So I wonder if, I don't know - I don't know exactly what the added expense is but...

Alan Greenberg: With due respect I think you're defining gaming in a - rather opening a barn door for gaming at a great extent if you're not tying the applicant to do what it is they said for - they said they were going to do when they applied for the money or for the discount or whatever.

And we are binding applicants to fill - to fulfill. We're allowed them to change their business plan. But we're not allowing a community applicant for the term apple - talking about apple orchards to start marketing computers. You know, we are going to be binding people to those kind of commitments although the business plan details may change.

So I think it's absolutely crucial that we find the applicant to do with either the money or the relief from expenses to do what they said they were going to do. Otherwise my god, the mind boggles at how one can game it if not. Thank you.

Rafik Dammak: Thank you. (Andrew).

(Andrew): Yes. I think - this is (Andrew) for the transcript. Look, I think - I agree with both Evan and Avri and I want to really put a fine point on this. The whatever flowchart and whatever flow that we come out of this process with should reflect as much as possible with both the recommendations and the spirit of the recommendation that the JAS group has been working for now a year and a half.

And what we are working off of is the assumption that not that the fund will be used to effectively rebate to ICANN the equivalent of what price

reductions there would be but that the price reductions would be separate. That's really the spirit. That's the way I understand it.

That's the way we discussed it publicly. And so I want to make sure that our flow - I also honestly from the perspective of public relations and community relations I don't think it's smart for ICANN to be paying itself back effectively.

We're going to put in a \$2 million fund and then we're going to use that money to pay ourselves back for the price of applications to needy applicants. I just don't - I don't see that as being good policy. I think that they're separate issues and that they should stay separate issues. Thank you.

Rafik Dammak: Thank you (Andrew). I think...

((Crosstalk))

Cheryl Langdon-Orr: Can't hear you very well Rafik.

Rafik Dammak: Sorry?

Cheryl Langdon-Orr: I'm sorry. I just couldn't hear you very well. That's all.

Rafik Dammak: Okay. So thank you Cheryl. What we are trying to do here is to give our feedback as working group members about flowchart. And this feedback would be integrated and the flowchart will be updated. So I don't think there is any assumption that it's the stuff (unintelligible) more than the working group members and then the community.

So that's my - I think we are going to change and update this flowchart to...

Man: Can I change it to (unintelligible).

Rafik Dammak: Okay, sir. Okay, let me just one minute to - 30 seconds to finish what I was going to say. So we are going to update that regarding what we think is right. Or if (unintelligible) the for you.

(DJ): Thank you very much Rafik. And I hope you can hear me. I'm in a location where there's no Internet access and I do apologize there for jumping in the conversation. I've just been listening to the discussion with regards to having a separate fee reduction that is entirely separate from the actual \$2 million fund.

I think that this is really something which the Board will have to make its decision on. So far the message from the Board has been quite ambiguous and certainly the GAC and ALAC joint statement have gone in the direction that the wish of the GAC and the ALAC is to keep those two things separate.

But then it's down to the Board to deal with it. So whatever this group wants to do with regards to the report, they should just file what they want and then the Board will decide on it. I think it's no need for us to try and convince Kurt one direction or another or convince each other one direction or another. Thanks very much.

Rafik Dammak: Thank you (DJ). Okay. Any further comment? Any question?

Kurt Pritz: Well I think - this is Kurt.

Rafik Dammak: Yes. Go ahead.

Kurt Pritz: Yes. I just want to make it clear that well I hope that it's not thought that ICANN is paying itself. That, you know, these funds that go into this TBD escrow holder, they're gone. So they're not in ICANN anymore.

So then if we take the arrow that says we reach a fund and make two arrows, you know, one is the existing arrow that will apply to apple and it's application fee and another arrow goes up to the applicant and says, you know, furnish the applicant for other purposes, it would say something a little better than that.

Then, you know, in either case the, you know, the money goes somewhere else and it's gone. So the money's, you know, taken out of the ICANN reserve fund and gets put in escrow where it's not, you know, not available to ICANN anymore and then it - and then it goes off into the process. So I think the process could be amended and add an arrow and a box up to the applicant. But it certainly was never our - ICANN's intention to pay itself.

Rafik Dammak: Okay. Thank you Kurt. I think Evan want to comment. Evan.

Evan Leibovitch: Yes. I don't know if repeating the same point multiple times is going to make it more understandable. But Kurt if the money is put into an escrow fund and then it sits there and then after it is released, if the money goes in to subsidizing ICANN fees, then it's going back into ICANN. That's the whole point behind asking for a fee reduction decoupled from the fund.

If you have a situation where the fund is being used to do the subsidy of the fees, then that is the escrow fund being used to be channeled back into ICANN. It goes from ICANN into escrow then gets released and then goes back to ICANN to pay for fees.

I don't know how much clearer that can be. If you don't have fee reduction that is decoupled from the fund that is exactly how it looks, that is exactly how it works, and that is exactly what's going to keep other potential funders away because you have an escrow fund that is contributed to by ICANN but in fact the money is intended to go back to ICANN to subsidize the fees.

So that is the - that is part of the reason why we are very strong in having a fee reduction process that is decoupled from a fund and the fund is to be used to pay for non-ICANN expenses. Can we make that clear in the process? Can we make clear in the flowchart?

Kurt Pritz: So in response in the case, I want to say two things. One is, you know, in the case of a fee reduction that money comes from somewhere too, right. And the money to which that goes has to be spent. So that money essentially if there was just a fee reduction would come from somewhere in ICANN which means from somewhere in, you know, the registrant fees and get paid to the, you know, to the evaluators and dispute resolution providers and such.

So that - to me that's the same scenario, the fee reduction if you think about what's really happening, it's - it would be ICANN, not taking the money and putting it into escrow or in a separate fund that it can't touch. But it would be somehow funding the - funding those efforts.

I do agree with you that there's optics associated with soliciting others to give funds because others who give funds might specifically want their funds to go to applicants directly and not to pay for fees but rather to pay for applicants to start businesses or, you know, keep the money in their country or in their local economy.

And so I agree that we need to show a path for - a path for where the applicant gets paid a grant as determined by the independent panel. And so we'll do that.

Rafik Dammak: Okay. Thank you Kurt. We have Evan, Alan and Avri. Evan. Okay. So it's Alan and then Avri.

Alan Greenberg: Thank you. I really think we should be spending the time looking at how this process is going to work assuming that our recommendation is being followed by the Board. We have no control over that other than to make good arguments.

And then we should be putting our effort but not in this call into making sure that the rationale for why we want to discount and how ICANN can generate that, you know, have the ability to give that discount without tapping into the two million is a part of the report that we're going to - whether we need to focus on and make sure that we believe it is robust and can be supported.

I don't think we should be spending the time here debating which of those models could be used because regardless of which model, we still have to go through a process of evaluating the applicant and the application or the prototype application to decide whether funds are

going to be available. The money transfer will be different depending on how the model is implemented.

And I think we should be spending more time at this meeting looking at how this process is really going to work. A few weeks ago we talked about whether this is going to be a volunteer group or something that's hired out. If you remember correctly, if it's hired out it's going to be expensive and that's going to come against the \$2 million.

And I think that's a discussion we should be having more here because it's an integral part of the flow and the process than the religious argument about whether it's a discount or it comes out of the two million. That's an argument we need to make in the report but it's not integral into the flow issue.

So I'd like to spend some time talking about the critical parts of the process and not just how the - where the money comes from and how the money is used. That's something which has to be in our report but I don't think needs to be discussed today.

I agree that the flowchart needs to be modified to be flexible and adapt to the scenario we're talking about but I think that's a relatively minor change compared to the actual valuation process which is far more difficult. Thank you.

Rafik Dammak: Than you Alan. (Unintelligible) says to remind people that we need to make some comments to make changes (unintelligible) to reflect the point of view of working group members and I hope that (Robin) said that maybe later because we are not four minutes after the call so maybe later we can extend fore ten minutes of - they can try to

summarize they capture it for all the working group's member feedback.

((Crosstalk))

Alan Greenberg: This is a 90-minute call, isn't it?

Rafik Dammak: No. It's just one hour today.

Alan Greenberg: I thought the announcement said 90.

Woman: (Unintelligible).

Rafik Dammak: I think she announced it is not 90, just one hour.

Avri Doria: Okay. Me - whether it goes 60 or 90, I'm fine for 90. I agree with Alan and just to contribute to that topic slightly, I do think you have to be a community group. The other part is I just want to point to Kurt that he is ignoring the contribution that explains how the funds can be gotten and just continues to say they got to come from somewhere, the got to come from the two million.

Kurt read that. You said that you needed to discuss it more to understand it. I'm always willing but please don't keep saying that that's the only place that the money can come from. There are other proposals. Thank you.

Rafik Dammak: Thank you Avri. Okay. So any sort of comments? Avri, do you want to comment? Okay. So maybe now we can try maybe Seth or Rob can

make some summary of what they got from this call just to make it (unintelligible) with working group members. Rob.

Rob Hoggarth: Thank you Rafik. Boy, that's a challenging mission. And I have to confess I mean being relative new to this group and your processes, I've heard a really good dialog and back and forth.

My interpretation, you know, not being as well schooled in the substance of these discussions that you all have been and sort of coming on late, it's been tremendously valuable for me and informative in terms of being able to go back through the draft and make sure that it appears to me, and I, you know, I don't know Rafik if you and Carlton declare ah, it now appears we have full consensus on this topic or that topic.

I haven't heard that. And that's sort of something that drives us in terms of being able to write something definitive in the document. But that aside, what I have pulled out of it is the very clear seeming consensus that this group has of that decoupling of the fees from the, you know, the non-fee support. And that's clearly going to inform Seth and I as we go back through the document.

I haven't heard Rafik any specific comments or edits with respect to the text that's before us. So what I would commit to doing is going back through the text of this section to, you know, make sure that it clearly reflects the descriptions that Evan, Avri and Alan have been sharing hearing, you know, otherwise no one objecting to their characterizations of things.

It's not clear to me where the flowchart fits in. I interpreted flowchart as being a discussion tool, not something that you guys are inserting into the document itself. I could be wrong about that.

Clearly, you know, the flowchart appears to be something that the staff is going to be need to use and that Kurt and his team have looked at to help them understand what the process flow would look like.

You all have discussed what would appear to be some changes to the red area there. You know, advising staff that they need to change where the money is going to be directed to. I think Alan that was your point. You don't have to blow up the flowchart. But I need some guidance as to whether you all expect that flowchart's going to be in the final report. It was not my interpretation that it would be.

So I think the next step for Seth and I is to go back and look at this section, at the text that's in this notes pod in the Adobe Connect room and to, you know, scrub that to make sure that this text reflects this separation of fee from funding.

The only other substantive point that I picked up was toward the end when Avri and Alan were seeming to reach some agreement with respect to the makeup of the review panel in terms of having that be more of a community group rather than some other format. And I have to confess I don't know what that other format would be. But that's something else that I think we would want to capture.

Other than that Rafik I think, you know, there's some real detail in this text. You guys haven't really gone through that text on this call so I'm

not sure what post-meeting process you'd like to use other than the Wiki for folks to make some specific comments on that.

Rafik Dammak: Thank you Rob. I think the flowchart attracted more attention than the text.

Rob Hoggarth: Well it was very helpful from my perspective.

Rafik Dammak: And I do think there was quite substantive comment about that to clarify especially I think Avri is trying to summarize that in the chat that the separation between funding and (unintelligible) document. So maybe you can find more information in the chat indicating people point of view.

And so - and we have also some question I think from Alan, Kurt and Evan. So maybe you can get more feedback on that matter. Alan, please go ahead.

Alan Greenberg: Thank you. In terms of whether the flowchart should be in the report, I would suggest that it is in the report as a suggested mechanism, not binding anyone to it. But particularly with dates at the demarcation point because I think that's something we do need to put in our recommendation.

So from that perspective alone I think it's useful to have there. And also if we feel that this flow as it's shown does not reflect what we're requesting, then I think we need to modify it so that it is cognizant of it. So, you know, I think yes it should be there.

In terms of the constitution of the review panel, I don't know if we have closure on this one. I think everyone agrees that there should be some community input into it. I'm not convinced; however, if we make it wholly community based, we will either have the expertise to do it properly and to evaluate financial documents and things like that and an ability to guarantee that it does - it's done on a timely manner.

Both of those I think are really problematic. So I think we need to consider that carefully. It's easy to make promises that we can't fulfill afterwards. This is not a place where we want that to happen. Thank you.

Rafik Dammak: Okay. Evan, we have Kurt and then Evan and then Avri. Kurt, please go ahead.

Kurt Pritz: Thanks. This is Kurt. Remember that they asked for a few work products from staff. One was the - one was the final report. But the latter was an applicant guidebook like sort of guide for those wanting to apply for aid.

And I think a good place for the flowchart would be in that second document, that's the (unintelligible) that gives - provides direction on how to fill out an application for aid and informs applicants as to what the process is. So I think that would be a good home for that flowchart similar to the applicant guidebook having flowcharts in it. That's all.

Rafik Dammak: Thank you Kurt. Evan and then Avri. And would like to ask people just to keep their comments short sine we are already 15 minutes after the call. And I thank those who want to make comment. So Evan, please go ahead.

Evan Leibovitch: Hi. Rob, thank you for being involved in this. And I appreciate your comments and I share your frustration at the fact that this was a call designed to be going over details. The frustration I guess is when we find ourselves still unresolved - apparently unresolved on some big pictures issues it becomes very difficult to detail with the details if we find ourselves continuing to re-discuss things that we thought had been closed off.

I'm as eager to move forward with you on the details as possible. We may have to in fact do some of that offline between calls. But, you know, the drafting team is at your disposal. We need to move forward on this quickly. But I share your frustration and I think part of it is that here we are so close to the deadlines and it seems like we're still going back and arguing first principles and believe me I share that frustration at least as much as you do.

Rafik Dammak: Thanks Evan. Avri.

Avri Doria: Yes. This is going back to the composition of the (SARP). And what I basically see is I see it as a community group that goes out and does outreach to the experts that are needed. I think Alan's suggesting that someone I guess would be pick a group of experts and then add some community members.

And, you know, in some sense the foreground and background of each other. I prefer the notion that the community being the one to create the nucleus of the group. And get some - and they decide which (folks) are need but it really is a foreground, background thing. Thanks.

Rafik Dammak: Thank you Avri. Kurt, do you want to comment or your hand you raised.

Kurt Pritz: Oh no, I'm sorry.

Rafik Dammak: Okay. Seth.

Seth Green: Thanks very much Rafik. I just have one question for the workgroup and that is that if it wants the flowchart either in a support applicant guidebooks and the applicant guidebook as Kurt suggested or in the report itself. Does the workgroup think that there should also be in that case an analogous flowchart for non-financial support or is it fine just having one for financial support? Thank you Rafik.

Rafik Dammak: Okay. Someone want to answer that? Alan.

Alan Greenberg: The evaluation process of the decision, yes eligible, no not eligible is the same. So from that perspective I don't think we need two different charts. I'm not quite sure how the non-financial support is going to be allocated because I presume it's going to be a voluntary. It's going to be a decision based on some outside party's decision whether to do that or not.

And the implication of that is - means we may need even more time prior to the application - close of applications for this outside party to make a determination on whether they're helping or not. So I don't think it's a completely separate process. It's the same decision making process which is the core of this. But it does have to be tied into how that outside support gets given. Thank you.

Rafik Dammak: Thank you Alan. Seth, do you want to ask something else or make comment?

Seth Green: Thanks no. That - thanks Rafik. I think that clarifies it for now. Yes.

Rafik Dammak: Thank you. Okay. So please any further comment or questions?

Rob Hoggarth: Rafik, this is (Robbie). Just finally in terms of next steps. As we discussed at the beginning of this call we're going to give the good citizen review an opportunity to be conducted over the next 24/48 hours. And then we will, you know, we'll already start, you know, punching up the text in this section. But we'll have a new draft version prior to your next call on Tuesday.

Rafik Dammak: Sorry. Can you repeat the last thought?

Rob Hoggarth: Yes. We'll have a revised draft version that includes the edits to this section; and as we go back through some of the previous calls, transcripts and chats, a revised version of the document prior to your Tuesday call.

Rafik Dammak: Okay. Hopefully we can have this maybe Monday.

Rob Hoggarth: We will try.

Rafik Dammak: Good luck.

Rob Hoggarth: The longer we have, the more substantive it will be.

Rafik Dammak: I just don't want to push people to work on the weekend but good luck anyway.

Rob Hoggarth: Already doing that.

Rafik Dammak: Thank you. Okay. So I think it's time to adjourn this call. If there is no - if on weekend is that two days so day of that normal people take it to relax and doing something else.

Okay. So if there is no any further comment or question, so we will adjourn this call. And I think we later we will have for staff and drafting team a call - an extra call, so. Okay. See you guys and thank you. Have a nice weekend. Thank you. Bye bye.

Man: Bye.

Coordinator: Thank you for joining today's' conference. You may disconnect. Thank you.

END