

**Vertical Integration PDP Working Group  
TRANSCRIPTION  
Monday 01 November 2010 at 17:00 UTC**

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**Registrars Stakeholder Group**

Paul Diaz

Jeff Eckhaus

Krista Papac

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Keith Drazek

**- Commercial Stakeholders Group**

Mikey O'Connor – CBUC- Co-Chair

Berry Cobb – CBUC

Kristina Rosette – IPC

Jon Nevett – CBU

Ron Andruff - CBUC– CBUC

**- Non Commercial Stakeholders Group**

Avri Doria

**Individuals**

Roberto Gaetano – Individual - Co-Chair

Jothan Frakes

Eric Brunner-Williams

**ALAC/At Large**

Siva Muthusamy

Alan Greenberg

Sébastien Bachollet – ALAC

Baudoin Schombe – At Large

**Staff:**

Mike Zupke

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Margie Milam  
Liz Gasster

**Apologies:**

Baudoin Schombe – At Large  
Chery Langdon-Orr  
Jeff Neuman

Mikey O'Connor: Okay let's see, Gisella, why don't we do the roll call?

Gisella Gruber-White: (Unintelligible).

Mikey O'Connor: We've got folks - let me do the agenda stuff and we'll...

Gisella Gruber-White: Okay.

Mikey O'Connor: ...let a few more folks join and then we'll do the roll call. So on your screen is a fairly straightforward series of sort of questions that I thought I would try and type the answers to during the call. I would really like to see if we could get a preliminary agreement on some language to go into the final report not necessarily perfect but close enough that we can hand it off to Margie and Marika to do a draft for next week.

And I think it's just time to draw a line under this phase, get some language pulled together, see if we can get a draft done and get that submitted. So that's really the goal for the call today; we'll see if we make it. Gisella, why don't we do the roll call now and then we'll get started.

Gisella Gruber-White: With pleasure. On today's Vertical Integration call on Monday the 1st of November we have Roberto Gaetano, Mikey O'Connor, Alan Greenberg, Avri Doria, Berry Cobb, Krista Papac, Eric Brunner-Williams, Ron Andruff, Jon Nevett, Jeffrey Eckhaus, Sebastien Bachollet, Siva Muthusamy, Paul Diaz. From staff we have Margie Milam, Mike Zupke and myself, Gisella Gruber-White.

We have apologies today from Cheryl Langdon-Orr, Jeff Neuman and Baudouin Schombe. If I could please also remind everyone to state their names when speaking for transcript purposes especially with such a large group on the call. Thank you, over to you Mikey.

Mikey O'Connor: Thanks Gisella. We'll do the housekeeping stuff first. First any changes to DOI or SOI that people want to share with us? Okay the other housekeeping item we were talking about just a little bit before the call started were in that transitional moment of daylight savings time. And my presumption was that we would once the US switched over to Daylight Savings Time we'd realign the call so that it's at the normal time.

And maybe we should just take a moment and see if that's - causes anybody a problem? It knocks Roberto off the call next week but I think we sort of knew that was coming. Any objections to just switching the UTC so that the call is at the same time of day that it's always been? Okay so next week when Daylight Savings Time in the US switches over that's what we'll do.

Okay so I think that what we need to do, folks, is we need to say - oh the chat is off to good start; way to go Sebastien - is just draw a line under this and say look in terms of public comments no we didn't really review them the way that they're normally reviewed in working groups but we want to acknowledge them and acknowledge that the reason we didn't review them is because they basically became a surrogate for the underlying disagreements that we have and have identified.

And then, you know, thanks folks for their comments, attach the comments to the report, certainly include them in the final report and move on. You know, I'd sort of like to get that out of the way and then we'll move onto the rest. Eric, go ahead.

Eric Brunner-Williams: Thank you Mikey. This is Eric Brunner-Williams. Mikey, I don't see how the people who submitted comments - public comments - know that they're surrogates for the underlying disagreements. I mean, those of us who were in the group who submitted public comments, yes, that's reasonable to impute some degree of knowledge to the commenters.

But for those who were not in the group and who submitted comments to associate them with surrogacy for some conflict seems overreaching. Thank you very much.

Mikey O'Connor: Well I didn't mean to imply that they were, I meant to say that the discussion of the public comments became essentially a forum for us to crawl into our camps and then argue the fundamental disagreements that we've had all along. I wasn't meaning that the commenters were surrogates; that's a good correction but rather that the discussion of the comments is essentially a replay of the underlying disagreement.

Because we tried it a couple of times, we tried it two or three different ways and each time we sort of got into the same log jam. And so I think what we ought to do is just acknowledge that and move on.

The prospect of going through 101 or 110 or whatever it is comments one by one and replaying the sort of existential dialogue over and over again strikes me as not a good use of any of our time. And so rather than do that put something in the report that explains why our treatment of public comments is a little bit different than the norm.

Eric, go ahead.

Eric Brunner-Williams: Thank you Mikey. And I'm sorry to - making this into a back and forth but I don't think that we've actually - yeah, I appreciate your point that we've gotten distracted into our own sort of self referential discussion on several calls.

But I don't believe other than Margie going through the collected comments that we've actually attempted to extract any ideas that were present in the comments that were not present in the discussion. And I use for an example of this the comment from Brett Fausett that there are registrars who engage in no current public registration.

And they are somehow categorically different from registrars that do engage in public registration and of course which are also categorically different from registrars who are merely shell registrars. And so our approach to this has been entirely about kinds of registries but we've ignored that there are kinds of registrars.

So that's an example of some back issue or policy possibility which was not known to us in our discussions and yet is knowable to public comments.

Thank you.

Mikey O'Connor: Well and I think that that gets us to the next part of the discussion. I think one of the things that we would say in this treatment in this initial report or in this Phase 1 report is that there's something that's likely to follow and that the public comments could well inform that discussion.

But acknowledging at the same time the fact that this Phase 1 discussion is done so that we can get finished with this and not get lost in months and months of discussion on a policy discussion which at least in my view is now moot.

You know, the board has taken the decision back, it's time for us to step back and push the reset button and take those public comments and everything that we've learned in this dialogue and push it into the second phase as material to be considered. I don't think that we'd discard them but I also don't think that we're going to fundamentally change any of the conclusions in the report by beating our head on that wall. Alan, go ahead.

Alan Greenberg: Yeah, I think I'd like some clarity on whether this - in your mind this is the final report that's discussed in the bylaws because the bylaws and the charter have no - on the charter have no concept of Phase 1 and Phase 2.

So I want to know is this the final report as called for in the by laws which essentially will give council the opportunity to say thank you very much for your work, you are disbanded or is this just an interim report in the overall PDP process which is delineating what we have called Phase 1?

Because I think there's a very big difference between the two and I don't get a sense that we're all talking about the same thing.

Mikey O'Connor: Well what I'm talking about is the phases that we laid out in the status report to the council in Brussels. And in Brussels we said that we were going to divide our work into two phases and that Phase 1 was primarily aimed at trying in a very expedited way to arrive at conclusions that could support the request from the board for advice from the GNSO.

And essentially the timeframe of that was that if we were able to arrive at consensus in or around Brussels in broad strokes and then use the subsequent period between Brussels and now basically to put the finishing touches on it that then at Cartagena we would present our final Phase 1 deliverable.

The outcome was a little different; we did not come to consensus so we wrote an initial report that said that, took public comments on it. The public comments did not move us to consensus thus it did not fundamentally change the contents of the initial report. I think we ought to acknowledge that, call that the Phase 1 final report, submit that to the council and then get onto Phase 2.

Alan Greenberg: Okay as long as we make clear - I would have preferred not calling it the final report which is going to obfuscate what we're talking about but...

Mikey O'Connor: Well we can call it Phase 1 report, I don't care.

((Crosstalk))

Alan Greenberg: I think we need to make sure - make it clear that this is not the bylaw mandated final report as at least some councilors believe it was so.

Mikey O'Connor: Yeah. I'm not even that taken with final report as a - I just want something to close out this phase so that we can use, to use Berry's term, push the reset button and get, you know, started on the next phase. I don't want this drag on for a whole another...

Alan Greenberg: Right, I have no problem with the concept just the nomenclature.

Mikey O'Connor: Yeah, okay. Margie, I've ignored you but go ahead please.

Margie Milam: Sure, I was just going to say the same thing that Alan said that, yeah, under the bylaws this wouldn't be the final report if the final report is typically something you send out at the end of the PDP and the work isn't done yet.

So I would encourage us to call it something else like the interim report or something like that.

Mikey O'Connor: Yeah. Okay, Eric, go ahead.

Eric Brunner-Williams: Thank you. And of course I want to plus one to what Alan and Margie just said. But going back to the board taking this back and making the public comments less useful in your - I just want to respond that the public comment is more important than any action the board undertakes.

The public comment trumps whatever the board does. You know, it exists independent of what the board chooses to do. So it's - we shouldn't be making - deciding what to do with the public comment based upon the board's decision but based upon the PDP's process which calls for us to at least review the public comments.

And I'm not saying that we haven't reviewed them merely responding to the comment that because the board has taken the issue back that's our duty toward the public comments is somehow altered. Thank you very much.

Mikey O'Connor: Thanks Eric. Any other comments on this approach before I declare it the approach and ask Margie to write something to embody all that? Avri, go ahead.

Avri Doria: I agree with Eric completely in regard to the comments that need to be done. I also though think that we have to acknowledge that whatever base the board having taken this problem back that the board sets for the first round is something that we'll have to take into account so as in a sense the new starting place.

So while I totally agree that regardless of what the board does or doesn't do we need to do the right thing by the comments that what the board does do is critical to where and how we reset for Phase 2. Thanks.

Mikey O'Connor: Yeah. I think that basically what we're in right now is a period of uncertainty as to the inputs into Phase 2. Certainly one of the inputs is the public comments because that's where we can pick up issues like the one that Eric described that Brett raised.

But the - another key input to Phase 2 is what indeed happens at the board level as an input. And what I vastly prefer to be able to do is draw this phase to a close so that we can prepare for that next set of inputs and on into Phase 2.



Okay anybody else want to chime in on this? Alan, go ahead.

Alan Greenberg: Yeah, just a quick comment. Eric made a comment that the public comments trump what the board does and that's to the extent that the board makes a decision which is relatively restrictive. To the extent that the board allows certain things may mean that we can't go backwards from there in any future decision just because you can't turn the clock back if you've - you know, well let the horse out of the barn so to speak.

So what they do will be the base under which we're working because there's only - we can only make changes in certain directions in the future.

Mikey O'Connor: Okay.

Alan Greenberg: But otherwise I agree.

Mikey O'Connor: All right. So that's what we'll do. We'll sort of capture the sentiment of this piece of the MP3 and introduce the public comments that way. Say, look, this phase is done. We want to draw a line under it, we want to prepare for Phase 2, that public comments are not forgotten; they are not left at the side of the road.

They were very difficult for us to evaluate because each time we started that discussion we wound up falling into the same disagreement that underlies the disagreement that's embodied in the first draft of this report.

And so rather than repeat that we're simply going to include the public comments as inputs into Phase 2 along with other events like the board decision about VIN Round 1. There, I tried to do that in paragraph form so Margie and I can write that out.

Okay onto the next piece which is sort of the same discussion but a different point of view. And that is okay what's this Phase 2 thing going to look like? And I was quite taken with Berry's email to the list that sort of described a checkpoint reset where we all take a deep breath, we spend some time figuring out the process. We figure out whether we can agree on a process.

But, you know, essentially treat it like the beginning of a normal PDP. And I think that one of the - level playing ground - did I say level playing ground? I didn't mean to. Anyway - oh I see this is in the chat. Oh God I'm not up on the chat, sorry folks.

Anybody got a real serious case of heartburn if I sort of stole liberally from Berry's email as an approach forward? You know, presuming that people have read it. If not maybe I can find it or maybe Berry could send it to the list again real quick. I can't.

I'm not even sure that it went to the list. Berry, did you send that to the list or did you just send it to me and Roberto?

Eric Brunner-Williams: No he sent it to the list.

Mikey O'Connor: Did he? Okay I'm just not finding it in my email.

Eric Brunner-Williams: It's on 10/23, Call for agenda item.

Mikey O'Connor: Okay 10/23, I've got those. Ah there we go. Yeah, there it is. Going to just send this one to the list again so that it's in your inbox. Basically the notion that he's putting out is a pretty detailed series of things to do.

Most - you know, starting off with sort of acknowledging the Phase 1 report, let's call it that, tell the council that our charter hasn't been met and that we intend to do a reset instead of going to the council for steps we're basically going to define our own course forward.

Review the charter, maybe update it, establish a new project plan, engage - one of the things I think that's worthy of some discussion is engaging some external experts to help us this time around. If nothing else we can have cool duels between competing experts.

Work on our poll methodology so that we could do a better job of taking the temperature of the group. Figure out the final report deliverable while a little more carefully - etcetera, etcetera. And, you know, as I read through this I thought, yeah, that sounds like a pretty good approach and I wanted to get people's feelings as to whether that was the way forward.

If it is I think what I'd want to do is transmogrify that into some language that goes into the Phase 1 report along with the discussion of the public comments and get it back to you guys for a review next week. Eric, go ahead.

Eric Brunner-Williams: Thank you. This is Eric Brunner-Williams. For most of the first period I've been sitting quietly on the idea that registries are still monolithic thingies and part of the area of exploration we could be taking for policy on vertical integration is the deconstruction or the - increasing the separation that we've used to describe what we call the registry function.

So I'd like to put this into the issue basket now that we're passed the death march for Phase 1. And I'd also like for us to explore - we've looked at registry types whether in the context of exception or not. And we've looked at compliances and abstractions, that is the abstract compliance without any real regard for the type of - well some regard for the type of registry but none for the type of registrar.

And I - the fact that it's possible that we can actually attain some improvement of - or some reduction in the disagreement between the RAC and the (JN)'s camps - I have to (cancel) the phone here just a minute - if we

take a look at the types of registrars - that is if we don't treat registrars as a one size fits all thing.

So while I like Berry's proposal there are things that I have that I'd like to see back onto the agenda and I suspect that other people would as - have their own issues that they'd like to put back on the agenda now that we're past Phase 1. Thank you very much.

Mikey O'Connor: I think that in reading Berry's structure I think there's room in there to insert that and especially in the phrase that he used where he says analyze models, the economic, fair competition, cost benefit, market power, pro con, use case, etcetera. It seems to me that that's the perfect place to put that, Eric, is in the modeling discussion.

Because, you know, I think that's one of the things that we had a pretty rough time with here was we sort of had to do everything at once and by kind of breaking this analysis up into the more traditional parts and include a discussion like what you've just started where we say okay what are the models that we want to consider that that's the perfect place to insert that.

Eric Brunner-Williams: If I may? I think that we also need to respond to (Sallup) and (Wright). I think we need to provide an industry-informed opinion rather than the generic we're from Chicago kind of everything looks alike and we have some economic ideas - information that the board has been subject to thus far. Thanks.

Mikey O'Connor: Yeah although I don't know that we've got - I guess I'd turn to Margie for some help on that. I don't know what the basis for that response would - I mean, in Phase 2 we certainly can. But in Phase 1...

((Crosstalk))

Mikey O'Connor: ...it's pretty immutable. I don't see how...

((Crosstalk))

Mikey O'Connor: Yeah, yeah. And in Phase 2 certainly, absolutely. And in fact one of the things I would really like to see is funding from the GNSO for several sets of experts from differing points of view to help us. Berry, go ahead.

Berry Cobb: Thank you Mikey. This is Berry Cobb. I'd just like to say that the engagement of experts however we define that is the critical component or the reason why I even submitted this plan.

I don't believe if we - if we do not get funding to get some external guidance and work alongside the experts then all of this because moot because anything that we would do in Phase 2 would most likely end up in some kind of the same result just over a longer period of time perhaps.

So I - without a doubt not only respond to the (Sallup) and (Wright) model that has just been published or re-published in the latest minutes but to engage with them is the critical path for us to try to find any kind of success in our way forward. Thank you.

Mikey O'Connor: Yeah and in fact in Berry's note to just further amplify that he underlines that. That's the only underlined sentence in his email.

Okay oh Kristina raises an interesting point and that is expert funding would have to go from council to board and would be tied to next year's budget. Council doesn't have any money that it can allocate itself.

Margie, you got any ideas about that? Is there any way that we could get money - I mean, I suppose one thing we could is wait a year. That might not be a bad idea. But is there any way that we could get some money out of somewhere a little quicker than that?

Margie Milam: No, Mikey. This is Margie. It's the same process that was followed when the GNSO Council tried to get money set aside for Whois funding. So essentially it has to be - it has to go to council and it needs to be worked through the budgeting cycle. And so if it doesn't make, you know, the next budgeting cycle then you have to wait. Liz is on the call; she can perhaps add more clarity on this issue.

Liz Gasster: So I actually want to add though that I think - Margie is right about the process so I think we have to get the council involved. But I think it's - from - it's conceivable - I mean, I think - well let me say it a different way. I think the improvements - the GNSO improvements and the change in the PDP that's under way right now envisions the concept that we should be able to apply expert resources to PDPs where appropriate and where the community and the council agrees that that makes sense.

So I think it is one that we are aspirationally wanting to support. What we don't know is whether on an ad hoc or, you know, individual case basis (unintelligible) be provided for that purpose.

So I think the right thing to do is to urge you to define what you're looking for with some level of precision and, you know, as a collective request. In other words does it meet the consensus view of what should be requested?

And we will help, you know, sort of marshal it I guess or spear it through a process that would involve both the councils review and concurrence and also some opportunity to bring it to a staff budgeting process, you know, on an ad hoc basis.

Because I do think the PDP process concedes that that is something we want to be able to do it's just the reality of, you know, like I know that on the Whois funding for example we don't have multiyear funding, there's some other limitations to what we can do outside the budgeting process.

So sorry to be long-winded but I think there is an opportunity to try to find a way but the first step would be all of you defining what your needs are and then soliciting the view of the council. Thanks.

Mikey O'Connor: That's helpful. Is there any - are there any magic dates that we should be aware of having been the controller of a \$3 billion university I know about magic dates.

((Crosstalk))

Liz Gasster: There are magic dates but they're secret. No, that was a joke. We just...

Mikey O'Connor: I liked it.

Liz Gasster: The fiscal year '12 process is just beginning. And there is an initial step where the constituency and stakeholder group and council leaders are being invited to a call to solicit input from the broader community about the fiscal year requirements.

And there are some magic dates there I just honestly don't know what they are. And they're upcoming. And so that would be another case where we might be able to help the steering process a bit and finding out what those dates are.

But secondly I do think, again, that there is this idea at least that there ought to be ad hoc funding that that's not a inconceivable request just I don't know how to quite manage it in this fiscal year but there are no magic dates with that; ad hoc is ad hoc so, you know, it would be just getting the council's concurrence and working with us to try to figure out what the bandwidth is for that.

But I know from previous times when we've been through this that the first step is going to be just, you know, presenting what you want and making sure that that's thought through and, you know, that the council supports it.

Mikey O'Connor: Okay thanks Liz. Eric, go ahead.

Eric Brunner-Williams: Thank you Mikey. This is Eric Brunner-Williams. An area that (Sallup) and (Wright) were unable to address is the - where the registries have volumes in the six to seven figures range.

I believe their analysis was roughly around very large registries or registries that seem very large from my perspective perhaps because I'm more used to failing than succeeding at the (unintelligible).

I don't think that we actually need a great deal of funding to answer as an industry what happens in the first 100,000 even to the first 1 million names what the real economic issues are, what the real competition issues are and deal with the area which is the general case for all 500 of the presumed applications.

And then dealing with the very large issue for some few of the 500 applications and responding to (Sallup) and (Wright) is something that actually may require funding but it doesn't need to spring from us because well in the first case we're the experts for the under 1 million.

And (Sallup) and (Wright) gave no insight to the board for that particular problem area which is the overwhelming case. Thank you.

Mikey O'Connor: So I think that the way to handle this is to acknowledge the need for expert help. I don't want to define it in this draft because I think that it will wind up taking us quite a long time to do that. You know, in the budget parlance what I'd like to do is essentially describe a set aside or a pot of money that's needed but not get into the specifics of writing an RFP.



You know, there's a slippery slope where all of a sudden we slide down into a very detailed description of what the experts need to look like. If we were to do that, Liz, Margie, would that be sufficient to at least get a placeholder in a queue so that then the working group could devote more time than we have right now to doing a really good job of defining those requirements? Is that workable?

Liz Gasster: Sure, yeah.

Mikey O'Connor: Yeah, okay.

Liz Gasster: I mean, we come from a staff perspective in the budget but I think it's really important for you to - the queue is also defined by your representatives in the budget process. So you want to inform the council chairs and...

Mikey O'Connor: Right.

Liz Gasster: ...your, you know, stakeholder and constituency groups because there should be - they should be soliciting your views about budget. And it ought to be something that comes to the top of your list.

Mikey O'Connor: Right.

Liz Gasster: Thanks.

Mikey O'Connor: So, you know, I think that that leaves Berry's approach relatively untouched. Basically what it's saying in his email is that the first part of Phase 2 is planning it and getting the resources put together to do it well. And this is where, you know, questions like what kinds of models do we need to have and how are we going to analyze them?

And what kind of resources will we have available to do analysis and from whom etcetera, gets done. And that's the way I would like to leave it, you know, give the Phase 2 initiative its own time, its own bottom to figure out the details of how it's going to approach this but lay it out in fairly broad strokes the way Berry did in his email for the Phase 1 report.

Anybody - oh Jon, go ahead.

Jon Nevett: Yeah, just a - thanks Mikey - just a quick comment. Just looking at the low attendance on this call I would just recommend that any proposal we have for a way forward for a Phase 2 be put to the list as - in the form of a proposal.

You know, I know there were some things on Berry's recommendation that I personally didn't agree with and I think would be good to flush that out on the list. Thanks.

Mikey O'Connor: Yeah. I sort of skipped out past the first half and I got, you know, what I'm really zeroed in on Jon is the bullet points toward the end. There was some editorial stuff at the beginning that I sort of passed over at least mentally.

I think where I would start is really just with the, you know, with the bullet points there and staple that into the draft. I think what I'd like to do, Jon, if it's okay with you is instead of doing the proposal to the list I'd like to do the draft to the list and then let people beat the draft up; is that okay if we just sort of zero in on one document rather than two phases?

Jon Nevett: Sure that makes sense.

Mikey O'Connor: Okay. Well that being the case that's what I'd like to do unless there's, again, you know, vigorous opposition. I'm really pushing hard to get through this so that we can get a draft out this week and get something to you next week the goal being to hit November 15 which is a magic day for the council.

So I think November 15 is two weeks from today am I - I haven't got my calendar open. Is that right? And so, you know, effectively what I'd like to do is have a - is have a report done in two weeks. And I think, you know, I think these are relatively minor changes to the report that we've already got.

So I'm not hearing any huge objections so I'm going to go ahead and, Margie, Liz, you and I can put our heads together after the call and see what we can do about getting a draft out. The last bullet on my little list there is really throwing the ball to Margie to see if there is anything else we need to do to put into the draft of the final - or of the Phase 1 report. I kind of like the idea of calling it Phase 1; that dodges that bullet nicely.

Is there anything else that needs to go in there, Margie, that we need to discuss on the call or can we - do you feel like we've got enough of a sense of where we're going to just go ahead and start drafting it?

Margie Milam: Mikey, yeah, this is Margie. I (unintelligible) to start with the points we talked about on the public comments. I'll take a look at the report and see how it needs to be refreshed to include all of that.

Mikey O'Connor: Okay. Well let's set as a goal then that we'll try and get a draft out - I'd like to get it out, you know, Thursday-ish to give people a little time to review it before the call next Monday. And, you know, have a probably vigorous conversation on the list about it so that maybe we could draw a line under it next Monday if possible.

And that's all I've got folks. Gosh this is my second call today where I ran out of material way before the scheduled end of the call. Anything else that we need to cover or shall we call it a day and put drafting teams to work? Not seeing anything so I think we'll call it quits. Thanks folks, I'll see you in a week. Hopefully we'll have a draft ready for people to review and we'll beat that up next week on the call. Thanks a lot. See you soon.

END