



ICANN 44 REPORT¹

25-28 June 2012

Prague

Introduction

This report is centered in the ccNSO meeting at ICANN, as well as some highlights from the opening session, GAC meeting and Latin American informal meeting with ICANN'S new CEO. ²

ICANN 44 took place a few weeks after the disclosure of the 1930 applications to the new TLD program, the cancellation of the Digital Archery strategy and the public appearance of the newly elected CEO, Fadi Chehade, which will start his work in October.

The following ccTLD from LACTLD attended the meeting: .br; .cl; .co; .cr; .es; ec; .mx; .pe; .pt;..pr; .sx³. All gTLD affiliate members attended it.

Opening session. 25 June

The opening event was the last ICANN meeting with Rod Beckstrom as CEO. Fadi Chehade, the new CEO in office as from October, delivered a speech (available at: bit.ly/MxbfKx), where he publicly pledged himself to: "Number one, I will listen, I will listen to all of you. We may not always agree, and we shouldn't. This is what the model is, but I will listen. Number two, I will be very transparent, super transparent; is there a bigger word? Extra transparent. I have to be very transparent. And, lastly, I will make all my decisions for the public interest, all my decisions for the public interest. These are my pledges".

Tech Day

¹ Report by Carolina Aguerre.

² For those looking for more information of the overall meeting from a Regional Organization perspective, herewith the link to the Centr report (only in English), which covers ccNSO, GAC and GNSO.
<http://centr.org/CENTR-Report-ICANN44>

³ .sx became the newest member on 25 June, during the first day of the meeting.

As it is customary, Tech Day was organized the previous day to the ccNSO meeting. Tech Day Working Group presented to the ccNSO council the creation of a joint working program committee with SSAC and GNSO. This suggestion was approved by the ccNSO council and implementation mechanisms need to be explored and developed now.

GAC (highlights)

As the “Digital Artillery” program was cancelled two days before the meeting, one of the most relevant and hot topics which the GAC had proposed for review was finally left out of the schedule.

During the first open meeting of the GAC on 26 June, the need to legally protect the names and acronyms of Inter Governmental Organizations (IGOs) was put forward by OECD representative on behalf of all the other organizations. IGOs claimed not to have been consulted in the new gTLD process and they demand for an inclusion of their names and acronyms in a protected list of names.

The GAC representative of Argentina Olga Cavalli expressed repeatedly its discontent about the .patagonia application to the new gTLD program. This is the most explicitly controversial issue that came out during the meeting. Even though the new gTLD program was explicit that no country names nor cities without the express consent of its authorities could be used, .patagonia poses more difficulties as it is a geographic, not a political territory. This region also comprises territories in both Argentina and Chile.

Argentina, Uruguay, Brazil and Mexico (this last one remote) were the only Latin American GAC representatives during the meeting which enhanced the importance of having a more active participation (in presence or remote) in order to strengthen these processes in the LA region.

ccNSO workshop (26 - 27 June)

ICANN Board meeting with the ccNSO

The first point in the agenda was ICANN’s contract with IANA. At the time, Steve Crocker (Chairman of the Board of Directors of ICANN) considered that the reply would arrive in September. On 3 July the NTIA of the US Department of Commerce ratified ICANN’s contract over IANA until September 2015.

The second point was an inquiry on ICANN’s strategy with WCIT (World Conference on International Telecommunications) organized by the ITU in Dubai. Nigel Hickson, ICANN’s figure for dealing with this was not very specific about the way ICANN is engaging with this, but commented that they are currently monitoring the process and the proposals put forward by other IGOs. ICANN is collaborating with ISOC, governments and other organizations. Hickson insisted in the fact that they are devoted to monitor any new ITRs that might arise that do not affect the current Internet Governance structure. He also declared that the ITU has informed them that there will not be changes to the current system.

Lesley Cowley remarked that the ccTLDs support a multistakeholder Internet Governance model. On ICANN's strategic plan, Roelof Meyer (.nl) of the ccNSO financial and strategic working group remarked on the latest amendments that ICANN introduced before the approval of the final budget for 2013, prior to the commencement of ICANN 44. He noted that the budget estimated that 500 applications would be received for the new gTLD program, not 2000. Even though the funds for the new gTLD program are set aside from the budget, this amount of requests exceeds by 150% the previous estimates which will put a strain on the organization's resources.

The 2013 Strategic Plan has 13 priorities and 25 projects, something that this ccNSO working group deems exceeds ICANN's current capacity. The ccNSO had already submitted its comments on the impossibility to deal with so many different aspects and that they should be more focused, but neither the projects nor the priorities were cut. Meyer also considered ICANN's strategic plan to lack purpose and measurable objectives to monitor its progress. Besides, costs have also increased proportionately more than its revenue.

Although Steve Crocker praised the quality of commentaries received by the ccNSO, other prominent figures such as Rod Beckstrom and Cherine Chalaby pointed out that the projects and strategic priorities are related with the amount of demands received by the organization. They also commented on the attribution problem posed by ICANN's financial committee, as it has no power to cut strategic priorities once the budget is sent for approval, as it is determined by the strategic plan.

Byron Holland (CIRA) vice-chair of the ccNSO developed updates on the ccNSO finance working group. It was formed with the objective of examining financial contributions of ccTLDs to ICANN with 3 deliverables: models of contribution; survey research in the cc community in the services they were receiving and being offered by ICANN; analysis of ICANN's financials in terms of what ICANN thought it was spending on the cc.

The finance working group has completed two deliverables and they expect to have that financial information to complete the work for Toronto. But even this target is now at risk by ICANN's CFO as he has challenged the approach by the EAG, the mechanism used by ICANN to evaluate budget allocation and amounts.

Byron Holland stressed that they don't have confidence in it anymore and the finance working group will not be completed at this stage. Figures oscillate between 9 to 12 million dollars of ICANN's contribution to the cc community.

The finance working group asked for a timeline in order to make adequate progress and work with ICANN to get the right information.

Steve Crocker noted that the EAG was put together two years ago and it is not working now.

The following topic in the agenda was about the main priorities set by the ICANN board to the new CEO and although he spoke about increased transparency from the board there were no specifications.

As a departing remark Rod Beckstrom marked that during these years in office 30 new members had joined the ccNSO. He also thanked the role of ccTLD in the sponsoring and organization of ICANN meetings.

Presentations at the ccNSO (26 June)

The latest version of the program is available at: <http://ccnso.icann.org/meetings/prague/agenda.htm>

The presentations of both days are available at: <http://ccnso.icann.org/meetings/prague/presentations.htm>

Paul Sznydler (.au) updated the work of the WG on countries and territories. This group does not define what is a ccTLD in a country and that its mandate is only to provide recommendations. Currently they are developing a survey on what does a country name represent in their respective languages and linguistic codes. As an example, the .com string does not have the same meaning in all countries. Looking at Verisign's policy for registering .com in several IDN under the new gTLD program, the group considers this a key issue to understand. Sznydler enhanced RFC 1591 and GAC principles as fundamental working documents. This implies the generation of a working group amongst constituencies.

During the update of the FOIWG www.ccnso.icann.org/workinggroups/foiwg.htm by Keith Davidson (.nz) the following topics were developed which have been dealt with up to now: consent before requests of delegation and redelegation (report presented before ICANN's board); significantly interested parties (final report in progress); unconsented revocation or delegation (in progress); recommendations for IANA on delegations and redelegations (work that will start when the other issues have finished).

The Group on Security and Stability of the DNS led by Jörg Schweiger (DENIC) presented a work on the identification of risks and development of a framework for risk analysis and scenarios as part of one of its contributions.

The presentation of Andrei Kolesnikov (.ru) presented the ccTLD perspective facing the application process of new TLD (.moscow amongst others) and marked the difficulties with which they faced: Problems of the AGB: unclear questions, corrections "on the fly", links to the non-completed requirements, etc.; Customer service problems; No single place for additional documentation; No attention to the national specifics of the applicant (tax, accounting, etc); TAS experience; Batching schema concerns.

Chris Disspain (AUDA) commented on ICANN's new gTLD program and the supposedly 220 million dollars it would obtain with this amount of requests. Given that the costs of each application are now calculated as 85 thousand dollars, it is yet unclear how those funds will be managed or if ICANN will reimburse the remains to the applicants. Andrei Kolesnikov (.ru) remarked on the need for a professionalization of the organization and that the program specified that gTLD funds would be only used for the new gTLD program, not widely across ICANN. A key issue is to get through the process to know if there is any money left.

Presentations at the ccNSO (27 June)

The update session by the finance working group led by Byron Holland (.ca) marked the importance of evaluating the contribution of ccTLD towards ICANN and to know what they value about ICANN. For this purpose a storyline is needed.

The ccNSO decided to vote for the continuation of the work accomplished by the financial working group, beyond the difficulties presented by ICANN about appropriate financial information on its contribution to ccTLD. One of the contributions of the group is to provide recommendations on the contribution model: per service model, per domain model, fee based model. The problem faced is that the banded model is not valued. There are many free riders. Many pay less, others could contribute more. The diversity of registries poses a problem to achieve a solution. Lesley Cowley pointed at variations of the banded model as an alternative to continue working.

The finance working group also calculated the IANA costs and stated that ccTLD have covered their share. Bryon Holland stressed the importance of having an understanding of the story of the ccNSO and disseminating it. Final recommendations for future work of the working group: maintain the banded with variations and specifications, materializing the operational costs of IANA and make sure ICANN provides the numbers.

ccNSO-GAC Meeting (27 June)

The ccNSO informed GAC about its meeting with the board and the discontent generated when the recommendations were not contemplated by the Finance Working Group.

ICANN costs have risen 20% and income has increased 10% (not counting the funds coming from the new gTLD program). The ccNSO has the impression they have a more accurate picture of ICANN's finances than ICANN itself and the CFO Xavier Calvez has acknowledged the information they have is not adequate. The EAG is an instrument to determine the allocation of the budget and ICANN's investments in its different stakeholders. With this instrument, ICANN today considers it has invested between 9 to 12 million dollars in the community. The ccNSO emphasizes that it is not questioning ICANN's overall finances but the tools used to measure the allocation of resources. Meyer (.nl) stressed the need to increase professionalization of ICANN and accountability.

The GAC was surprised about the implications of these issues and wondered whether this also occurs with other communities in ICANN. GAC commented on the need for the board to provide a follow-up on the matter.

Presentations at the ccNSO - 27 June

.no presented its training and awareness program on the DNS to law enforcement agencies in Norway. The English version of the publication is available at: <http://www.norid.no/publikasjoner/domenejus-en.pdf>

.nl gave a presentation on: "Social Media, Mobile, apps & the market for Domain Names in the Netherlands". Trends like Social Media Mobile and apps are generally seen as a potential threat to the future demand for websites and, as a consequence, domain names. An extensive study in the Netherlands shows that the effect of these trends is in fact far more ambiguous or even positive. They showed there is a correlation between social network interactions, online social networks and the registration of domain names. They showed there is a correlation between online interactions in social networks and domain name registration. The forms of access most used in the web currently are bookmarks, search engines and applications. These last ones have displaced domain names to a third position.

Another finding of the study is that businesses which give importance to online social networks register less domain names. Registrars still consider defensive registrations to be necessary, even in the era of Internet access through mobile phones, although they believe that websites have a less promising future according to this study.

InternetNZ has developed a set of principles that it believes provide overarching guidance to the way it operates the .nz ccTLD, and that these principles (or at least a framework to develop each ccTLDs own set) are very relevant not just to ccTLD operators, but perhaps to gTLD operators also. In a nut-shell, the 7 principles applicable to .nz are as follows: 1. Domain name markets should be competitive; 2. Choice for registrants should be maintained and expanded; 3. Domain registrations should be first come first served; 4. Parties to domain registrations should be on a level playing field; 5. Registrant data should be public; 6. Registry / Registrar operations within a TLD should be split; 7. TLD policy should be determined by open multi-stakeholder processes.

.pt provided a presentation on the new liberalizing policies implemented in May and the growth trend of the ccTLD.

Panel: WCIT (*World Conference on Information Technology*): can ccTLD influence the outcome?

International Telecommunication Regulations (ITR), are a treaty developed in Melbourne in 1988 which has not been revised since then.

The aim of ITR are to facilitate “global interconnection and interoperability” of traffic between nations. The ITR will be updated during the WCIT conference to be held in Dubai in December organized by the ITU. The importance of this treaty lies in the fact that its norms extend to other terrains of application, such as: traffic flows between telecommunication network operators; quality of international services, sufficiency of facilities; international routing, charging, accounting and billing between operators; priorities that should be given to health and safety; avoidance of harm to networks and services.

The panel organized by the ccNSO⁴ was presented (remote) by Sally Wentworth from ISOC, who presented a detailed perspective of the current situation and the ITR⁵ amendment proposals during WCIT-12. <http://www.itu.int/en/wcit-12/Pages/default.aspx>. This is the second world conference on ITR since the first one in Melbourne, when Internet did not yet occupy a strategic place in the world of communications and telecommunications.

This world conference proposes to modify substantively several ITR which could affect not only the traditional telecommunications services, but also those of the Internet related with IP traffic, routing and the

⁴ Organized by the ccNSO working group program where LACTLD's GM is involved and Luis Diego Espinoza (.cr).

⁵ Fore more imformation on ITR and their implications:

<https://fileshare.tools.isoc.org/wentworth/public/WCIT%20ISSUES%20MATRIX%201%20June%202012.pdf>

<http://wcitleaks.org/>

<http://www.internetsociety.org/itr>

desire of states to control these spaces. Fraud fight, Internet security and the expansion of connectivity are the main reasons put forward by States to exercise a modifications in the current regulations which could eventually lead to more control.

These changes also include the redefinition of “operative agencies”, which means that organizations which had not been subject to ITU regulations before will now be under their control, such as ISP, content providers and even ICT (this last one petitioned by several Arab States), which could well become part of the normative regime of the ITU.

There are also several discussions related with the status of ITU recommendations. The ITU-T (Telecommunications Standardization Sector) is a permanent body within the ITU which studies technical, tariff and use issues. It also publishes its “Recommendations” with a view of standardizing telecommunications at a global level. Up to now, these recommendations were voluntary, but one of the themes that is also being discussed at WCIT is that these become now mandatory. This would go along the path of compliance. The technical ITU stops being technical and goes to the legal realm and Wentworth pointed out that this changes the dynamic of this development.

Governments need to make an input to find out about these issues and the community needs to have resources to hold the governments accountable. Regional meetings, such as the one CITEL in Latin America, are important for the definition of common positions in the region.

Invited panelists included: Olga Cavalli (GAC Argentina), Patrick Falström (.se); Mathieu Weill (.fr), Martin Boyle (.uk), Fahd Batayneh (.jo), Nick Thorne (former British Ambassador at the UN in Geneva).

Cavalli commented that ccTLD in Latin America and the Caribbean are sometimes the only TLD operating in the market. That is why they are the unique players in their territories which possess a specific understanding on Internet policies and the DNS such as Whois, security, privacy and that is why they have to become more involved in the process.

Patrick Falström proposed that stakeholders create or join distribution lists to work inside their respective countries and their governments, as is their case in Sweden.

Mathieu Weill considers that interconnection and net neutrality are all relevant topics for ccTLD both at national and international levels and thus they should get more involved.

Martin Boyle defined 2012 as the telco’s revenge. Being able to get back some of the revenues they think they have lost over the last 25 years. ccTLDs should be involved as there are 3 areas where our business will be impacted: cyber-security; extension of naming and numbering; risk to the standards making process. He proposes that ccTLD should be another stakeholder. He proposes that ccTLD should be another actor that promotes the discussion of this information amongst the different Internet community players. He also pointed out that there are several governments, including in the UK, which are not giving enough attention to this process.

Nick Thorne stated that WCIT is a whole new element for the Internet community. This is an inter-governmental conference and the people that will be discussing these issues do not necessarily understand the

current Internet community. The WSIS process gave more time for the Internet community to grow and progress, but WCIT could change this radically. Following Boyle, he proposes that ccTLD engage in dialogue with their governments and get to know their position. Some will appreciate this advice and information. He insisted on promoting discussion between governments and other regional bodies and organizations. He puts forward an argument which he considers would make some government reconsider their position, which is that ccTLD could mention the relevance of the Internet as a global economic engine of growth and innovation. In a context of deep economic crisis it is important to defend it. "We have to use broad brushes to paint the future of communications in the world. One kind is cross country bound communication. And this will be more complex".

The ITR, like any other treaty might impose rather than give freedom to the local market and innovation. ITS emerges out of 2 different sets of treaties. Weill warns that regulation is not perceived as bad in all countries, as is the case in France and ccTLDs have to be careful with that.

General recommendations of the panel included that each ccTLD should get to know and have a dialogue with their national representative at the ITU in each country in order to put forward the views of ccTLDs.

Latin American and Caribbean Meeting with the new ICANN CEO

On Thursday 28 June, ICANN's Vice President for the region, Rodrigo de la Parra, organized a meeting amongst Latin Americans to have a first exchange with the newly designated CEO, Fadi Chehade. Fadi insisted on the pledges announced in his opening speech and the bottom-up approach of the organization. He promoted, together with the VP for the region, that regional actors should present proposals to bring closer ICANN to the region.