TORONTO – Introduction to Registries and Registrars
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FILIZ YILMAZ: As we get settled here, I have Karla Valente and Tim Cole here to talk about registries and registrars. Registrars will be the part that I believe Tim will be talking about, and then Karla will take over for the registries.

TIM COLE: Hello everybody, I'm glad to see the room has filled up a little bit since the start of the last session, so it's pretty exciting. My name is Tim Cole. I'm the Senior Director of Registrar Relations. And in that capacity I work with over 1000 gTLD registrars and we manage our relationship with them; we are the ones that actually go through the contracting process to approve them for accreditation, and throughout the life of the contract and their interaction with ICANN we're intimately involved with that.

There's also a Compliance Department that is a separate entity that deals with contractual issues that may arise. So we're; I like to think of us as the guys with the white hats and they're the guys with the black hats, but it's not really quite like that. I think the registrar relations team, one of our biggest goals is to keep registrars out of trouble. So we're, Karla and I; Karla works with the registries and I work with the registrars and so we're going to talk a little bit about, we're going to start and I think Karla can do some of this too.

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We're going to start with just sort of giving a big overview of what changes are happening in the industry, and that may give you a little better feel for how the registries and registrars fit in. But basically some of this information you'll probably see in other presentations as well, but I'm going to let Karla take this part and I'll move to the next.

KARLA VALENTE: Hello everybody. Just to understand, how many of you know what a registry, registrar is or have worked for one? That's not fair. A lot of you have. Okay would you like to give the presentation? This is a high level view of some of the changes that are ongoing here are ICANN, and a lot of the sessions that you see around talk about some of those changes. So on the root you have basically two groups of top level domains.

You have the gTLDs and you have the ccTLDs. The ccTLDs is a group that is expanding through a program that is called the Fast Track Program, basically with the introduction of IDNs. This is actually the program that first introduced the IDNs to the root within ICANN. And the other program that you probably heard about is the new gTLD Program. And what this does is to expand the number and the types actually of gTLDs into the root.

So nowadays you have the extensions, you see the round bubble on the top – those are the extensions that you have now that are operational. But with the new gTLDs, and as we go through the evaluation process more towards next year, you will probably see in the marketplace something that is a .and then a city name – .and then an acronym – .and

then an IDN ending or a generic name ending or a community etc. So this is one of the changes that you will see.

And this is just a high level timeline to give you a perspective that since 1998 ICANN – that was when ICANN was founded – but even before that we had some of the TLDs that we all know nowadays, like for example .com, .edu, .org, .net. So they were already part of the root and in existence and operation at that time.

Then during 2000, we had a round of introducing new TLDs into the root, and that brought us a limited number of TLDs – and the ones are listed there. 2004 there was yet another round, and that's what you see listed in the timeline. This is to show you that new gTLDs, even though the program that you see today has a different criteria, different evaluation process etc and is more open in terms of volume, there were previous rounds from which we actually learned a lot of the process and what happens with the introductions of registries.

And this is just to give you an idea that the program was developed with quite some time – approved in 2008 by the Board. And since then, the program has been shaped to really, with the community input, to what it is today. I'm not going to expand too much about it because we have another presentation later that will talk specifically about the industry landscape and the new gTLD programs.

So where we are now is that we had 1,930 applications; about seven withdrawals at this point. 652 were for .brand; 116 IDNs and here you have a little bit of a breakdown from geographical perspective where those come from. And this is just to share with you because this is the

TIM COLE: So this is a high level chart that kind of tries to, we try to put everything in perspective that ICANN there in the blue, square in the middle, has contracts with the gTLD registries and with the gTLD registrars. And the registrars have a contract each with the registries. So there's a contractual relationship among all the parties. The registrants will have a contract with the registrar. Now, some of the terms in those contracts are governed by our contract with the registrar, which is known as the RAA. You'll probably hear more talk this week about the RAA which is the Registrar Accreditation Agreement.

There is currently some negotiations going on to amend that contract and provide some additional responsibilities and terms for our contracted registrars. But as part of that, we also have some aspects of it that deal with contracting with the registrant, what terms have to be in that relationship and that contract or registration agreement, as well as some requirements for the resellers and we'll go into a little more of that in a little bit.

But I just kind of wanted to at least put out that the terms registrars and registries I know don't always translate well into various languages because it's not really – the distinction is basically a distinction that was made through ICANN. That when we talk about registries we're talking about the wholesale provider of top level domains, the registrations through each top level domain. When we talk about registrars we're

talking about the actual companies that deal with customers and manage that registration process.

When we think about the registrants, and all of you have probably, most of you or many of you are probably registrants yourselves, but we have small businesses that register their name for a restaurant so that they'll turn up in searches when people are trying to figure out where they want to go out to eat; service providers, painters, house painters or attorneys and so forth.

Large brand owners – now we're talking about very large companies like Microsoft or Ford or any number of large businesses are all going to have perhaps many, many domain names depending on the brands that they offer and that they want to have registered. And individuals for personal use – there's quite a few people that have registered domain names for their own personal use of maybe for their families or for a blog or something.

And then finally, the other group that has become more well known in recent times are the domainers. And these are the folks that invest in domain names for a variety of potential income opportunities. They range from having very popular generic domain names that they offer up for sale and they may sell them for several thousands or millions of dollars. Or they may be using them to provide advertising when people land on their page and they then collect some income for the ads that are shown and the people that see them.

Or if the people click through and go to a site from their website, they may get some kind of commission for that. Those are the most typical type of registrants that we see and that we see the registrars engaging

with. Now this is perhaps not a totally complete list, but it's a pretty broad list of the types of registrars. So when I say there are a thousand plus registrars, there are many with various different kinds of business models.

We have the traditional retail model where a registrar sets up a website and people learn about them through advertising or searching, and the go to that registrar to open an account and register a domain name. There are other registrars that don't deal necessarily directly with the public themselves and the customers, but they deal with many, many resellers who then each have their own channel of bringing customers in. And we'll go into a little more detail about the resellers in a minute.

There are other registrars that try to strive for the lowest cost. They just want to be no frills. "You need to know what you're doing with your domain name if you buy it from us, or buy the registration from us, but we'll give you the cheapest price possible. But that means that we're not going to have a lot of people to answer phones and take your questions and so forth; you better know what you're doing or you may want to go to a registrar that may cost a little more but that provides more service."

There are also registrars that deal pretty exclusively in the market of having very secure, very high level registrations that they may be the ones that Microsoft uses or any other – Google.com is a very valuable name and they really wouldn't want it to be hijacked or anything, so they want it held at a registrar that's going to provide very high level security.

And there are niche markets. There are some registrars that just appeal to what might be domainers or might be different customer base that they will target or focus on and provide service pretty exclusively to that specific market. There are some registrars, a handful anyway, that only provide a single TLD, registrations in just one TLD and that's their entire market, you won't necessarily go to them for .com, .net, .info, .mobi; you might just go to them for .co-op and nothing else.

And then last, there are private registrars. People set up a registrar so that they or a company they own can use it to register domain names and so forth and they don't offer registrations to anyone else. Similarly there are different business models for the resellers and you can think of some of these, and maybe you've had dealings with some of these, someone who does web development.

A small company might go to someone and say "we want a presence on the internet, can you help us set it up." And they will design the web page and so forth and so on and they will go and register the name for that customer. And so in that respect, the customer isn't going to the registrar themselves, they're going to this web developer. Similarly web hosts, same sort of idea that some companies sell you a hosting package that includes a domain name and so much space. So they are offering domain names just a part of their larger business and are also considered resellers in that respect.

ISPs, Internet Service Providers in some cases, you'll sign up with an internet service provider and they will help you register a name. Or maybe you get a name as part of your signing up with them. And then we have the domain name retailers. These are folks that perhaps don't

want to go through the process or spend the money to become a registrar themselves, so they develop a relationship with an existing registrar, but they present themselves as a standalone company that wants to de retail business but without the requirement of the contract with ICANN.

And then, almost anyone else – you can have an attorney that may, a company may want to start up a new brand. Or maybe a movie company wants to, is going to create a new movie but they don't want anyone to know what it is, but they want to get the title of the movie registered in advance so that nobody else will grab it once they hear about the movie.

So they may say "okay we're going to do this movie called Lion King and we want to get lionking.com, but we don't want to let anyone to know that we're the ones behind this Lion King yet because it's still a secret and we haven't developed it" etc., etc. So they will have a third party register it for them so that on the WHOIS and everything it doesn't indicate necessarily who's actually behind it. And that's just an example of where you might have someone might be a third part doing registrations.

Again, the role of the reseller; there are click-through affiliates – these are resellers that pretty much find customers and bring them in but as far as they're concerned the customer relationship is still with the registrar. More often than not you'll see sort of a turn-key type of a setup where someone approaches a larger registrar that offers reseller services and they want to use their brand name and they want to have a website that looks like it's all them.

And so the registrar will work with them to help them produce a website that has all of their names and all of that but it's actually just a front end to the registrar for registrations. And then there are really more much more active resellers that have strong relationships with registrants. There are times that there can be compliance issues because it hasn't always been entirely clear what obligations that are in the contract with the registrars are required of the resellers as well.

And so part of our RAA negotiations that I mentioned earlier are addressing some of these issues as well; that's an ongoing issue within the ICANN community, is the discussions of the reseller issues. Now I'm going to turn it over to Karla so she can give you some background on the registry side of this business.

KARLA VALENTE: Thank you Tim. So registries – this is one of the definitions for registries, different people will slightly change this definition, but basically it is the authority that takes care of the master database for the specific TLD. So nowadays for example for the .com there is a company called VeriSign that does it. For .org there's a company called PIR. You also have from different countries, different countries have different registries, some of them are private companies, some of them are universities or government.

In different countries that is managed slightly differently than on the gTLDs and a lot of it has to do with the history of the registries; how they came about and how the actual extension was assigned back when. In Canada the .ca is managed by CIRA Organization for example. So this is what you see of what the registry does, at least nowadays in

this pure separation of roles of what the registry is and what the registrar is in today's market.

Usually when we talk about registry and we talk about critical functions we're talking about five things, and those are the ones that you see on the screen right now – DNS Resolution; DNSSEC; Properly signed zone; Shared registration system; Registration data directory services; Registry data escrow. So those are the things that a registry usually does or is expected to do to run well.

Some of those things they report upon and we check upon and we always make sure that those things are well and running, this is what keeps the lights on basically on a TLD. But besides that, obviously there is the day to day management, right? So every registry has to work on their own strategy and marketing management; to whom are they catering the TLD. Is this a specific TLD that is to a very specific group of registrants, like for example .museum? Is that catered to, can any of us register it or only organizations that are museum organizations and can prove that through certain documentation.

So each registry defines their own strategy in the marketplace. This is what the TLD is about and this is to whom this TLD is tailored. And in order to register that domain name, you have to be ABC and you have to comply with certain rules. And the rules vary enormously depending on the TLD. It can be something as simple as you can register only a domain name if you are a company within a specific industry, or you can only register a certain number of domains, or you can only register in ASCII and not IDN.

So each registry has its own rules. Just because it's a gTLD it doesn't mean that everyone and anyone can register at any time. Some of the registries are as open like anyone can register, but others have very specific rules and you have those reflected into the registration terms and conditions. Obviously the transactional management, right on the day to day when domain names are registered, when domain names are modified or when they basically are deleted or transferred to a third party etc.

So the registry works with the respective registrars and the parties involved to make that transaction happen. Again, the rules around how can I modify my domain name under a specific extension and how long does it take and how is it done – all of that depends on different registries and registrars that you deal with. Obviously a registrar deals with technical issues management, they have servers, they have all kinds of things that they need to make sure to have the DNS working the way it's supposed to work. They have to deal with staffing issues, legal issues, like any company does.

So a registry is always a company. It's an organization that has all the infrastructure of an organization; some very specific technical know-how to make sure that the five functions are taken care of and other than that it operates like any business. Transactional management – some of the things that I talked before, so new registrations, domain name management modifications and then renewals, transfers, billing and payment systems, outsourcing some of those services – so these are the kind of things that you see in the marketplace.

If you look at what I said about outsourcing is that some of the registries nowadays, they choose to perform an X number of functions that a business performs but maybe have the backend or some of the specific technical things managed or outsourced or third partied that already has a robust infrastructure and processes in place. So this maximizes their ability to offer certain level of security of service and also to concentrate on other areas of the business and not necessarily hire expert staff themselves, but outsource certain functions.

Like any business does; outsourcing is a business decision in many situations. The level of automation and again the level of service and the rules around any kind of the transactional things that you see here will vary from registry to registry. Some of the technical issues that registries face day to day – DNS management, automation – how much is automated or not automated when they deal with the registrars and all of those modifications and transfers, etc. That also depends on the different registries, how much they have automated or not.

Server provisioning, taking care of redundancy, taking care of scalability; how is the technical infrastructure of the registry – it really depends on who they are, who their customers are and how they chose to build their business. Some of them re extremely robust and can scale up to millions in registries. Some of them that was not the business model. So they have a comfortable level of automation but they don't necessarily will be having millions of registrations out there.

So all of the technical issues, or the technical infrastructure that a registry chooses depends a lot on the business model that they decide to embrace and how they decide to manage their TLD. Staffing –

obviously they have to deal with customer service, staff management, distribution management like any other business. Some of the registries you will see have more of a global presence being a gTLD. Some of the registries cater to a more local type of very specific type of customer. So this really, how much is done around staffing and the distribution and infrastructure actually depends on the registry business model and depends on the geographic presence of that registry.

Nowadays the gTLDs that we have today are present in the United States, they're present in Europe and we have one in Asia. Some of them cater to very specific customers, like .cat is for the region of Catalonia within Spain and they are very strong in specific catering to that region and being structured in that region. .com for several years has done a lot of marketing and has expanded the .com brand around the world, but again, it depends a lot on the registry.

Legal issues that registries to know and take care of, obviously end user terms and conditions. When you as an end user register a domain name, either dealing with a reseller or a registrar, you probably have to accept certain terms and conditions. Depending on who you're dealing with, you're accepting terms and conditions that are from the registry but also from also from this third party that you're dealing with.

The registry really provides the basic framework for you to be able to license or have this TLD. So for example, as I said in the beginning, the rules of who can register or cannot and why; for how long can you register a domain name. Can you register for a period of five, ten years? Do you have to renew only for one year? How is that process going to work?

Privacy policy – privacy policy is a big one, and a lot of discussion around privacy policy is because there are certain things that are required and the registries do, but they also, depending on where they are established or legally established or operational, they have also to comply with different rules of that specific country. Acceptance use policy – certain things that you can or cannot do with your website would depend also on the registry. Like for the longest time, if you wanted to own a domain name under .cat, which is the Catalonia domain name that I mentioned before, you needed to have some kind of a cultural language content in your website that is associated with the Catalonian culture.

Reseller terms – so who can resell, who it's resold, etc. Usually the registry has a price that is set for that TLD, and what happens is that end users end up paying something different sometimes than what the registries set up because you are buying from a registrar or a reseller. And obviously they put their fees on the top of what a registry sells, sometimes they package services, so many times when I talk to people they're not quite sure how much a certain TLD cost from a registry perspective.

If you want to know this information out of curiosity, we have a look at under agreements, Registry Agreements on our website and you can see all of the terms of this registry, how much they charge from the registrars and so forth. Dispute resolution issues – how the registries, what kind of dispute resolution process and rules they decide to embrace. Some of those things we're trying to standardize as much as possible for the end user and the registrants sake.

Global compliance – not only the compliance with ICANN Compliance Department, making sure that the registry does everything that they are supposed to do according to their agreements, but also they have compliance issues in their own countries. Some countries have different rules about what can or cannot happen in terms of for example content on the internet.

It's much more than a database and a software. The registry includes a network infrastructure, like firewalls, load balancers, routers, the protocol and application servers and the billing system. So there's lots of different systems that go into managing a registry and the level of robustness and complexity of the system varies from registry to registry, but they all look into that.

But especially now looking into new gTLDs, we must make sure that the registries are designed with security, stability and robustness in mind. And this is for our protection, not only because it's a business practice that is a good business practice, but it's also for our protection with everything that goes on into the cyber world.

I always remember Vint Cerf saying that the internet, the way it was built and designed, it was built for openness, it was built by intellectual people that just wanted really to see that connectivity and the marvelous experiment that evolved; it was not built for security. So we are now working as a community as much as possible to be with all of the security mechanisms as new things happen on the internet the beauty of openness attracted also very masterful minds doing some things that might not be as good. So we have to add as much as

possible the security and stability and robustness to protect ourselves when we are using the internet.

So here you see the data, infrastructure and security. So there is different databases that a registry has. And what is interesting, if you think about what Tim said in the beginning, like all of the different parties in today's world, you see the ICANN and then you see the registry and the registrar and the reseller and you as a registrant. And just think about it, all of the different databases and data transferred between all of those parties and the different points of entry and what level of security each of the parties in each of the point of entries have varies a lot.

So it's quite interesting to see that landscape. And companies nowadays are very mindful that they are part of a chain and they need to make sure that their infrastructure, their security level firewalls and everything that they have and they manage is properly protected in the databases that they share, or the data that they transfer in the cyber world are properly protected.

Other security considerations like policy – if there is a security issue how does a registry handle that. the security of the organization itself, the personnel security policies, the physical and environmental security, the operations and communications, how it's done and so forth. So there's a lot of security considerations that a registry has to do nowadays, as I said, many of those things obviously are good business practices, but some of those things are due to the environment and how much the environment evolves in terms of cyber-attacks or cyber-crimes etc,

registries and registrars are constantly looking to different ways to make sure their data and their operations are properly protected.

They also should have a continuity of business, because if something happens with the registry than the impact is not only on registrar, it is on all of us that happen to have a TLD under this registry. And if some of us, our business depends on that TLD, our livelihood depends on the TLD because that's how we make money. Having this TLD offline for a minute or a second or a few hours is a huge deal. Imagine eBay going offline for a few minutes and things like that.

So we need to make sure that those business, and they have to be careful to have continuity plans. So what to expect in the near future – I'm not going to expand a lot on that because as I said there is another presentation that will cover those things. But with new gTLDs we expect to see diversity and innovation, new players in the marketplace. If you go tomorrow, no Tuesday, Tuesday there is the registry stakeholder group. The registry stakeholder group is made of the gTLDs and they meet to discuss issues related to gTLDs. We expect that group to really grow and have more players around.

Vertical integration is something that is going to change the landscape as well because that clear difference or differentiation in rules and responsibilities – this is a registry and this is only what it does – this is a registrar and this is only what it does – that may change with vertical integration because what it simply means is that registries can own registrars and vice versa.

So registries and registrars, the line and division between those two, it's going to be not as straightforward as it is today. And because it is

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reality of business success and failure of registries this is the reality of the marketplace. So we cannot see or cannot know now which ones are going to fail, which ones are going to succeed, but this is a reality that happens into the marketplace.

And from an ICANN perspective if the registry fails we are building a process in place that makes sure that the five main functions of the registry, which basically is keeping the lights on, is there; those are operational. And this is done through what we call the EBERO – Emergency Back-End Registry Operator. That is a company that has all of the registry infrastructure, and when we have a failing registry, that company immediately, in an emergency maneuver, takes over those five functions to make sure that the lights are on until that issue is resolved. So that's basically the continuity of services that we are looking at.

TLD acceptance issues – this is something that you need to be aware of, or technical people basically have to be even more aware of. Because what happens, and we've experienced that in previous rounds, is that some systems on the internet, they are built to identify an X number of characters at the top level, or a set list of top level domains. So we know from previous experience that when certain TLDs for example with four characters launched into the marketplace and you happened to have an email from that organization, and you use your email in a web form or something, the system would reject your email address with that top level domain saying "Please use a valid address. This is not recognized."

So this issue has been worked on by these 2004 and 2000 registries, but still it's out there. There are still systems on the internet that were built to either recognize a certain set of characters or recognize only ASCII characters, or recognize a set list. And we are working on educating the technical community or people around the world saying this is one of the issues that needs to be fixed by companies basically. And there's not much that we can do, there's no way that we can fix that unless we have the cooperation of those companies to update their systems to incorporate all of the new gTLDs.

So in the future, if you use a new TLD and the system can recognize it as being valid, something valid. What can go wrong? Lots of things can go wrong. This is some of the things that happen when you have a TLD acceptance issue. So websites require a registration do not accept your extension. Contract terms do not recognize your email address or if you use a certain extension; so we have lots of different layers of issues, it's not just the web form that is checked.

These are some of the ways that TLD acceptance can be improved. So through technical work, through public relations work, awareness. So if you for example as a user have an email address that has bounced or a form that has rejected your email address saying that it's not valid, maybe you are aware of that issue; can call the company and say "hey it is valid and there is a problem in your system actually."

ICANN is doing outreach and we still need your help to continue doing this outreach; connecting with ISPs, network service providers. As I said, some of the people on the internet that we know that can help with the systems, and so forth. The future registries have a significant

role in helping us and helping the registrant to make sure that the TLD is accepted.

And we noticed from the registries before, what they did basically when they noticed that registrars or end users were having issues, they would help chase down where the issue was and work with some companies. And I'm talking about big browsing companies really that had that issue fixed.

So this is it from me. Thank you very much. And we are ready for questions. How long do we have?

TIM COLE: I just wanted to echo one of the things that Karla touched on, and she said it's going to be covered in another presentation, but you may or may not make it to that presentation, is that the reason we were talking about the large number of new TLD applicants that we are currently having in the process is to sort of give you an idea of the scope of the way things could be changing in the very near future. I started out by saying we have a1000 registrars, but we really only have about 20 or fewer gTLD registries that they can actually offer to their customers.

Now if you think about it where we may have 1000 plus registrars and 1000 potential registries, the complexity of that and the scalability of that is way beyond what people are accustomed to today. So going forward, many of you are just on the cutting edge of what's going to happen over the next decade or so, especially in some of the countries that have a potential for a large boom in internet users, as well as more developed countries that will have large number of options available,

it's going to be a brand new world and it's going to be quite possible changes.

We may have registries that are also the registrar, and how to manage that for ICANN when we've always had the distinct contract with the registry and a distinct contract with the registrar. Now we may have registries who are registrars and that's going to add a new complexity to our ability to contract with them.

So I just wanted to add that a little bit to what Karla had said earlier. And I agree now is, we're definitely open for questions. Are there any here?

FILIZ YILMAZ: Yeah, that will be good if you could ask a few questions but I'll ask one question if you don't to Karla and Tim. One of the questions that we often receive in these sessions about this presentations, registries and registrars is all fine how that maybe the business side for you guys and the registries and the registrars are working, but what about the end user?

So say I have a domain name registered and I have a registrar for that, right, but I have a problem. I want to transfer it or I'm not happy with the registrar. What do I do, where do I go, what are my options? Is ICANN speaking to me or should I be going and talking to the registrar? Is there another mechanism? Thank you.

TIM COLE: Yes. ICANN has an inter-registrar transfer policy in place and through that policy, that policy governs how domain names can be transferred between registrars. And if you were in that position where you wanted to move from your current registrar, the first step you would do is select the new registrar that you wish to start using. And then you go to that registrar and say "I want to transfer my name to you from…" – go to ABC registrar but your name is currently at XYZ registrar, so you go to ABC and you say "I would like to transfer my name that is currently at XYZ to you."

And then that registrar initiates the process, but you also have to provide some indication that you are authorized to make that change. You'll have to get a code and so forth typically to prove that, so that some stranger can't just come along and say "hey I want to transfer this name and it's mine." You have to; there's some more exhaustive procedures and policies behind that that I don't really want to go into right now. But it's definitely a process.

ICANN does not, is not involved in that process directly. Our policy governs it, but basically what happens is assuming that the authorization is verified that you are the right person and you want to…then the registrar goes to the registry and says "please move this name from registrar XYZ over to me, registrar ABC." And the registry actually just reassigns the name to the new registrar.

I know there have to be more questions out there. Yes?

MALE: I have a question. You were mentioning that the amount of registries of course are going to increase, and I'm sure that the amount of registrars are also going to increase.   My specific question is if ICANN has developed like a specific area to help new registrars that are going to be created in the next month, to help them become accredited and to help them a little bit through this process so that also this profile of business can be expanded?

TIM COLE: That's a good question. We do have a training program and we have a fair amount of information on our website, but we are also looking at what other things we need to do to provide better communication and better information for newcomers to the industry for example, or maybe an established brand is getting their brand name as a TLD but they also want to now have a registrar but they aren't familiar with ICANN at all, they're not familiar with the process.

So we help provide that. In some cases the registries, the existing registries for example VeriSign or Afilias or PIR will help new registrars become accredited; they'll help walk them through it. There are also other companies that actually work directly basically sort of as a consultant. They work the people through becoming a registrar and then they provide the backend services. So there's a pretty good variety.

But if you know of anyone that has those kinds of questions, they can always contact my department and we'll be glad to put someone in touch with them that can walk them through it and tell them what needs to be done. We do have a fair number of materials on our

website that are translated into a variety of languages as well. So we're always anxious to try to do better at helping people through that process. Thank you for asking.

MALE: The name of your department?

TIM COLE: I'm sorry, it's the Registrar Relations Department, and I can give you my card afterwards too.

ANDREAS: Hi I'm Andreas. The TLDs are sort of owned by a particular registry; that is each TLD is owned, sort of owned by a registry. Now, if you say that there's going to be multiplicity of registries what is going to happen to the ownership of those TLDs? And if you take VeriSign and turn it and give it license to be a registrar as well, isn't that going to be some kind of a monopoly; is it not going to distort the business?

And then my last question is registrars, the last time I checked, I don't know now, the last time I checked there wasn't a single one in Africa for the TLDs, for the generic TLDs. I wonder if…

TIM COLE: I'm sorry, you were saying there wasn't a registrar? I didn't understand.

ANDREAS: There wasn't a single one gTLD in Africa, in the whole of Africa. I don't know now. So I wonder if maybe it's the costs that are prohibitive. Isn't there something that ICANN can do to help in such situations because really when we don't have a registrar within our neighborhood sort of, then you find that you've got to deal with foreign currencies which at times can be very exorbitant. Thank you.

TIM COLE: Thank you for your question. We do have a handful of registrars in Africa at present, but we clearly see that as a growing market and there's definitely a lot of thought being given as to how we will expand the availability and the presence in that region. We have an African initiative, strategy that is being talked about right now within the ICANN community. And clearly a part of that will be how do we create better access to registrars and registrars that are familiar with and sensitive to the cultural issues at hand etc, etc, and language issues, so that someone in Africa that wants to register a name doesn't have to go to a United States company to do it.

But there are cost issues and things like that. We'll need to find a way to answer those questions. We don't have an answer today but we're working on it.

KARLA VALENTE: I want to make sure that I understood your first question, I don't know if I did. So different registries own basically, they have a contract with ICANN that allows them to manage a TLD for X period of time. With new gTLDs it's 10 years, with existing TLDs is varies depending on their

contract; five, seven and so forth. So a registry does not necessarily own a TLD like we don't own a domain name when we register, we license it and then we renew, we pay renewals.

And so long as we pay the renewals we have the registrations. And the same goes with the TLD. We have a contract with the registry and so long as that contract exists within ICANN and the contract is renewed because that registry has complied with all of the terms of the contract that registry has the presumptive right to renew that contract and continue to manage the TLD.

So try to be very careful with the name "own" because it's a contractual relationship that's not necessarily a given forever. But you have to comply with certain rules in order to have that. Does this address your question, was that your question?

[background conversation]

KARLA VALENTE: Can you speak to the front because we do have remote participants that cannot hear you? Thank you, sorry.

ANDREAS: Then how do you multiply the ownership because you said there's going to be multiplication of the ownership, that is multiplication of the registries. And also then the accompanying question to that is if you make this registry become a registrar as well, isn't that going to distort

the market; sort of create some kind of monopoly or make it too powerful when it has all the rights within, under one roof.

KARLA VALENTE: Yeah, so let's make sure that I understand your question. So I'll try to simplify, but I want to make sure that I don't simplify to the point of distorting your question. So because we have the vertical integration in which now the ownership of registries and registrars basically the rules changed, right, registrars can own registries and vice versa. And because we have an increased number of registries in the marketplace and potentially registrars as well, your question is what mechanisms ICANN has or does not have to make sure we prevent a monopoly?

ANDREAS: Sorry. The question is because a TLD is managed by a company, how then are they going to multiply the companies that will manage TLDs, that will become registries. How do you multiply the registries when say .com is managed by VeriSign, then how can there be more companies becoming registries if there is only a limited number of gTLDs?

KARLA VALENTE: Oh. So a TLD is a set of characters that is added to the root, right. And we did a root study and in this study we determined that we probably can add up to 1000 a year of TLDs; there is a number that we need to enter into the root to verify how the root responds to it. But we didn't see any limitation of how many TLDs the root can support.

EN

Because of no technical limitation there is not necessarily a business limitation of having 30 TLDs or having 300 or 3000 or how many are there. So technically there is no limitation on having an increased number of TLDs in the marketplace. How the marketplace responds to it, how the marketplace embraces or not new gTLDs is something that we're going to see in the upcoming years.

TIM COLE: How many applications in this current run did we get from Africa?

KARLA VALENTE: So we have a total of 1,930 applications from which only 17 are from Africa. So Africa, from all of the regions, has the lowest number of gTLD applicants. I'm talking about applications. It doesn't mean that we are going to have 17 registries in Africa. It means that those are going to go for an evaluation process and whoever passes this evaluation process is going to become a registry, and that's the same for any kind of applicant. But right now, the region has the lowest number of applicants.

ANDREAS: Okay, the question I think indirectly has been answered. My question basically was is the management of the TLD, is it going to change, is it going to be like two different companies will be able to manage one gTLD or is it still going to be one company managing a TLD. And then there's only going to be an increase in the number of TLDs.

KARLA VALENTE: So we have nowadays a hybrid situation. And what I mean by that is that you have in some situations one registry that manages one single TLD, right, .cat. .cat is the Punt Cat, a company manages only .cat. We have also VeriSign that manages .com but they also manage .net, they also manage .name; so they manage more than one TLD.

And if you look at the applicants, so number of applications versus number of applicants is a different number. So there's companies that apply for more than one TLD. Each of those applications or each evaluation is done separately, and maybe they will be granted all of those TLDs or maybe not. Okay? But you can have a situation where one company is going to manage multiple TLDs, like we even have nowadays.

TIM COLE: Now I know we're a little bit over on time but still are there any other questions? And if we haven't answered your question completely to your satisfaction come back and talk to us. Someone over there, can you come to the microphone please?

VICTOR TCHONANG: My name is Victor Tchonang; I'm a Fellow from Cameroon. Thank you for your presentation. My question was concerning the improvement of numbers of registrars in Africa, because until now we just have five. But as far as the Africa strategy initiated I will keep my question and see how ICANN will do after that content of that strategy will be published. I hope that ICANN will not only wait and a policy from which, from the GNSO. Because in the past, when I asked a question how to improve

number of registrars in Africa, they say "the policy has to come from the community or from the GNSO."

And as for IDNs, not a huge number of African registrars in the GNSO constituency group. It's difficult to see an initiative or a policy maybe to bring let's say a positive discrimination in the area because there are some point in the registrar accreditation agreement that a company from economy [contested]... Now Africa cannot fulfill that, so if ICANN continues to set – I know registrar is a critical business and ICANN has to care about end users, we are going to deal with that registrar.

But ICANN also has to consider all economic context. So a company in Africa cannot fulfill the same insurance requirement like company in the US or in Europe. And as you can see, the few, let's say four of that five registrars are which located in Africa become accredited through an American or a European company. So I hope there will be improvement concerning the registrar accreditation agreement in the future, and ICANN will not only wait to see policy initiative from supporting organization. ICANN will look globally at the market and see we have something to do to improve and make newcomers come to the domain name industry.

KARLA VALENTE: Can I say something? Yeah you touched on very important point, which is the registrar accreditation and also even for the registry program we had a community saying to us $185,000 for a registry only as an application fee is really not realistic for the economy in Africa. And if we're going to use that money for an application that money is being taken away from infrastructure that we need to build. There's a

different reality and you're not providing access and opportunities as you should.

One of the things that came out of it was an applicant support program. The applicant support program was basically we reduced the fees for applicants that met certain criteria, and we have three applicants only. Unfortunately not a high number of applicants. We hope that in future rounds of new gTLDs this program is reviewed, is more robust and attends more to the needs, and most importantly is we have more communications about it in the region people can prepare in time and take advantage of things like that in time.

So this is one point that I wanted to make. The second point is the African initiative or the strategy that this administration and ICANN is very committed to the engagement of the regions around the world, particularly in Africa through that specific strategy. So I invite you to please take a look at the information that we have; participate as much as possible. I'm not sure Filiz, do we have a session? Yeah, you talk about the session. And also in the public forum, take the opportunity like you did today and talk to the Board and to the community, because your voice in this kind of opinions are important.

FILIZ YILMAZ: Okay thank you. I really cut this off because we are running out of time, but this is an important point. So as you walk back to your seat and for everybody, there is a strategy that is launched for Africa. And there might be some more even for LACNIC; there's some capacity building in Latin America too. So please keep an eye on these happenings. The African strategy is up on the schedule for tomorrow. I believe it's at

3:00 p.m. on Monday. Please be in the session, that's one of the main sessions in the main rooms.

And the other thing is during the public forum on Thursday there is a topic already set for globalization and internalization of ICANN. I think these comments are also relevant there because it's not only ICANN we are talking about or ICANN Board what is happening or what they are approving, but what you're touching there is we community communication where GNSO when they're building policies or developing policies they need to be keeping an eye on further factors maybe in different parts of the world.

How they are going to do that? You need to help them; they need to listen to you. So this is what we want to create in these environments already. So thanks and we hope to see these comments over there too. Thank you. Now thank you Karla and Tim for your time. We are running out of time a little and that will affect my next speaker, Michelle, but with her permission we will have 10 minutes for a coffee break and then we will be back here. She will be talking about new developments in DNS. Thank you. So please be back at 55, thank you.

[End of Transcript]