

ICANN

**Moderator: Gisella Gruber-White
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((Crosstalk))

Coordinator: Excuse me, excuse me I'd like to remind all participants this conference is being recorded, if you have any objections you may disconnect at this time - you may begin.

(David): Thank you, we're just about to begin, the ICANN CEO has just arrived and will be beginning momentarily for people on the line to participate remotely, thank you. I thank you all for gathering for the leaders and representatives of the Commercial Stakeholder Group of the GNSO. We're here for our GNSO intercessional meeting.

We also welcome those who are participating online and we'll have - be monitoring that to be sure that you can be part of this conversation and ask questions. We are fortunate to have a good bit of time with our CEO Fadi Chehadé to talk to you about some of the organizational and other activities that he is instituting here at ICANN and other issues that you may want to raise with him. So without any further introduction, I'll turn it over to our CEO, Fadi.

Fadi Chehadé: Thank you (Dave), thank you. Okay I'm hoping everyone can hear me all right, good morning, welcome to LA, welcome to ICANN. This is the last time you'll come to the ICANN headquarters because soon we will no longer have one headquarters, we'll have three headquarters around the world.

We're already at work and we will present our final plan to the Board this week and if approved we will move forward with dividing ICANN's headquarters into three hubs around the world, so that's moving already and in good progress and all the planning for that is looking quite good. But at least we welcome you to one of the buildings that will remain - one of the three headquarters for our organization.

We moved here recently and I'm sure you've noticed we have - this was a very contested part of Los Angeles for over a decade with a lot of fighting over whether to develop it at all because we have some I guess natural birds who are preserved in that area that have been here for a long time. And finally they've agreed to build a few buildings but we had to preserve all the gardens and the areas where our employees enjoy tremendous, really good time at lunch given our weather which I'm not going to speak about, I'm sure you can see for yourself.

It allows us to go out quite often and enjoy ourselves so we're glad to be here in this new building and we're - it's your building, it's your office as well, so I'm glad you're here. I just came back and so I'll share with you a couple things top of my mind and frankly would like this to be an exchange, a dialogue. I was - this was my first time to go and represent ICANN at the World Economic Forum in Devos and - or Devus as they pronounce it and it was a very, very good meeting.

Sad in some ways, happy in others - sad because I think of maybe half the CEOs I met they did not know who ICANN is. About 60%, 70% of the CEOs I met they did not think Internet governance is a major issue, but the other 40% that understood what Internet governance is, we actually thought it's a very urgent issue - so it wasn't like the others felt, who cares. At one particular lunch where they had the 40 CEOs of the largest companies in the technology area in the planet, including some of the regulators, so Neelie Kroes was there, Jon Leibowitz was - the FTC Chairman was there.

It was actually quite an impressive lineup, I had the pleasure of sitting at the table with John Chambers and we were chatting about it and he asked me to stand up and tell one of these IT leaders that while all of them are sitting in Devos discussing how much money they'll make off the Internet that some of the core Internet governance issues and Internet politics could actually undermine a lot of their plans. So I had a very good intervention that I - a good 15 minutes and John was egging me on to talk to them in which I explained to them the rising concerns about the openness and the validity of the Internet for the world.

And I likened it to an example of a friend of mine who has a house here near the beach and he spent the last year remodeling his house - beautiful new floors, beautiful everything. Then after all of that, about two months ago his wife who's a physician - a doctor, told him, there's a smell in the house. And he said, oh everything's new of course there's a smell. She said no there is a smell, it's not right and he didn't believe her of course until two later he was walking down the main hallway of the house and he (heard) all of the wood panels popping up.

So he goes - as you know California homes are (good) homes, and there was a place underneath the house you can go, he went under the house and opened

the main door and massive (saw nut) coming at him and he - when he put some lights on he found out that the entire underbelly of his house was rotten. And when he asked - when he brought experts to find out why, it turned out he had a pin hole in a hot pipe for six months - pin hole.

And that pin hole caused the entire underbelly of the house to be completely rotten and they had to redo the whole house from scratch, they almost had to take the house down. And I use that example and John loved it and actually he used it the next day at a meeting he was having as the (Dealy Coos) to make say that if maybe a pin hole in Internet governance - Internet governance maybe pin hole for most of these executives who are making tens of billions of dollars from the Internet, but it's a pin hole that could ruin their party.

And if they don't pay attention - and I explained to them what happened at the WCIT for example in Dubia at the urging of my good friend (Marilyn) who's been telling me we should talk more about that. Most of them did not understand how close they got to having the Internet (dark enough), they just could not phantom how close it was. We were literally a "let me check the temperature of the room" away from Article 3.8 being in a treaty that would of made everything we do at ICANN in the hands of the IT.

We were literally a - if the chairman just asked people, hey what do you think about that? And they had raised their hands as he did on another part of the treaty, we'd be done. Frankly I wouldn't be meeting with you, I would be meeting with a lot of international lawyers now to figure out how can we actually function in that new (world). So this is pretty serious and you should know that not just I but - not just ICANN but all of the good people of ISOC of ICANN, of RARs of the people who understand the value of plugging these pin holes before they ruin our house have been actually at work to ensure that the Internet remains free and open.

So I use Davos not frankly to just shake hands because many of these people would respond to the presence of ICANN and meet us, but it was an opportunity to raise Internet governance to a new level and to really allow people to understand that they cannot just take it for granted, which they do today. So we just finished a survey in which it's now clear to us that most of you - a lot of what we do as utilitarians, it should be there, we never ask to work, but they don't know that there are forces behind change.

Many of you may have seen a remarkable article in the Economist two weeks ago about Internet politics, remarkable in the sense that the Economist doesn't easily do a 56 B spread about the subjects, there's usually something that is forming that and of course Davos was part of that, the WCIT. But also I was so glad that they made it clear to all of us that the next year and a half are equally dangerous and if you haven't seen the business constituencies graph that I use to remind myself what's still coming, what's still coming?

What's still coming is still dangerous, we have the WTPF and (WCIT) and various activities that are trying to prove to the world that the multi-stakeholder model is defunct, that it does not work. And if they decide that (to this agenda) is dead, we have major problems ahead of us, major serious problems ahead of us. So that's what was on my mind in Davos, of course I used the opportunity to do a few things - I can share them with you.

We have mishandled our relationship with the South African government as it relates to the ICANN meeting there in Durban, I didn't know that until I arrived and the minister of telecommunications of South Africa nearly decked me, was very upset with ICANN and I had no idea. Then I checked and I found out that when we set that up, it wasn't set up properly whenever it was - a year ago. So I repaired my relationship with her and I spent very valuable

time with her and the first phone call I got on Monday morning when I arrived to my office here was from the equivalent of the BBC - it was of South Africa already calling me and saying they want to cover our full meeting.

So this is why we use these meetings and I want to be clear with you I don't - again Davos is a pain in the neck, it's not a comfortable place to go. It's very crowded, the - it's really terrible, there's nothing fancy about Davos, but it's a place for us to do our homework and to meet people and to expend. I also got a chance to invite the three CEOs of the three largest telecom companies in the Middle East, so it is (Salaut), Saudi Telecom and Qtel. All three have personally agreed to attend the ICANN meeting there on March 5. So this is why we do these meetings right, so we can raise the profile of ICANN.

So on another note I want to share with you that I kicked off also this year a series of activities to raise the profile of the DNS sector. The profile of the DNS sector right now does not look very good. We have commissioned Echo the leading global (unintelligible) analysis company to do a reputation analysis on the DNS sector, the results are not good. We have a negative perception that is 4X - four times worse than the average of the entire technology sector.

This is based on - I mean Echo's a - you can look them up they're of superb reputation analysis company, they do it for every major fortune top company in the world and I was very fairly displeased with the results. We also commissioned (Helenius Strategy) to do a study on how the analyst market perceives us. And, you know, the analyst market for those of us who have built businesses or who have built industries are very critical players (unintelligible).

They are very critical players because they set the tone, so when you call the Wall Street Journal or the Financial Times and you say, we need the DNS sector or we ICANN or whatever, the first thing they say is, who can I call at Gartner to check? Or they might go to IDC and say that IDC did a study on the sector and what do they think about it? Or they may go Forrester in some cases, although Forrester is more marketing oriented and market building. So we commissioned (HNK) to go to all these analysts and find what they think about our sector.

Well the first of their finding is that none of them follow our sectors - that in itself is a failure, we need to change that. If we think we want the people to follow our sector and comment on our sector and we don't leave it to a few French people to always be commenting on our sector in the papers, I think we need to basically cultivate the analyst sector, so we are - that's another finding we do. The third and last finding we did was to talk to people in the financial sector, so we called people at Morgan, we called people at Citibank and this all happened this year by the way, I've been very busy with that because I'm very disappointed with the reputation of our analysis.

And once again the street does not care about our sector, they don't understand our sector, they have no idea how to size our sector. They view it as not sexy, as not growing. They don't have anybody really serious looking at our sector, they have some kids in the basement in New York who may once in a while look at VeriSign and even then they look at it as part of the larger group that they don't belong to. So I picked up the phone and I called of course, you know, Jim Bidzos the CEO of VeriSign and I chatted with him. I spoke to (Lisa) also at (New Star) and I said well, you know, you guys are public companies, what's going on here?

And they said, well we suffer from that too, you know, we do not have really the following. So if you add up this on the financial sectors views, if you add up the - how the (meeka) sector views and if you add up our reputation issues, all these things led me to believe that we have a unique opportunity to actually raise the profile of our sector quickly. Now I will balance all of that which sounds like business chatter with another piece of information. The pin hole underneath the ICANN house is the fact that we do not have a well structured set of (hands) to manage this market - this is something that will come to bit us - is biting us and will continue to bite us sooner or later.

So if you balance the two things - raising the value of our sector with strengthening the business framework of our sector, that this sector looks mature and given the fact we're about to face hundreds, thousands potentially new players in this market, the timing is now for us to address these two things and address them very well. So to do this I have started a series of CEO roundtables of which I hope this will be a good input as well, in which I'm listening to the leaders of the sector and trying to understand from them, how are we going to do these things?

The first CEO roundtable was held on January 17, it was in this room and we had - this one was focused on registrars and we had the ten meeting registrars in the world represented by their CEOs. Footnote, this was the very first time these CEOs had ever been here. Footnote 2, this was the very first time these CEOs had ever gotten a call from the CEO of ICANN saying, hey you're leaders in the sector, let's chat. Tremendous success, we had a superb day with them. We had the people who did the reputational analysis and the people who did the media analysis - all these guys coming, presented to them.

They heard it first hand and they agreed with it and I invited them to give the input and to give me some call to action. We're doing the same thing again on

the 4th of February here for the registry CEOs, so (Hal) and Jim Bidzos from VeriSign and all the registry CEOs will be here again and we'll spend a day with them to find out how we can do both things. Raise - help them raise the profile of the sector and also raise - change the business framework so that we have business frameworks that are mature and ready for the growth ahead.

And they all have understood that this is my dual agenda, in other words we'll fix their balance sheet but we need to first help them do the right things. I'll give you examples of some of the things we discussed with them. We have bad actors in the sector, every sector has bad actors, unfortunately our bad actors are very visible and very written about -- but we also have excellent good actors, they're not written about. So one of the things we discussed is well how do we help the market know the good actors from the bad actors?

Well one simple way that I know I've seen done, in fact I participated in doing during the '90s in the PC industry is to create something like a good housekeeping seal that says this is a good registrar, this is a bad registrar and who does this seal? The industry does the seal, this should be self-induced by the industry. The leaders of the industry should sit together and say, what is a good registry? What is a good registrar? And award these people the right awards.

We discussed things like doing a yearly DNS industry conference where the people in this industry and the people outside this industry who want to meet the industry can come together and actually meet the industry and see it in a good way, in a good light as a serious industry. We discussed increasing their level of responsibility about the people who participate in this industry. So for the first time I made it very clear that I intend to introduce a registrant's bill of rights.

A statement that I can walk into Jon Leibowitz's at FTC or walk into Neelie Kroes and Viviane Reding in Europe or any other government and say, this is a responsible industry, it actually has a set of rights and responsibilities that are published for the registrars, etc., etc. And we discuss a series of things like that and I must tell you I was very, very pleased, very impressed with the level of engagement by the CEOs, by the leaders. And we were lucky also because the new CEO of GoDaddy was there.

So Blake showed up and it was very good for him to see this first-hand, to understand the issues, to understand the complaints, to understand the reputational issues and to participate with us at the very beginning of his tenure this would his, you know, first week on the job to actually understand that he of all CEOs has a particular burden of leadership. And we'll be doing more of these roundtables and I consider again yours today and in a few hours here next door with your colleagues to be the same types of roundtable, so I need to seek your guidance and input on these things.

And I know many of you have expended a lot of hours and a lot of days and a lot of time thinking about these issues and trying to make them better. But I must be clear, we are not going to just do this as an exercise in verbal exchanges, so as soon as I'm done with the roundtables we're going to get to work and we're going to put some of these things to action. And I'm voting for a summit of all these leaders in late April before we get to Beijing at which point we plan to roll out some of these things.

There is no time, I cannot be rolling new gTLDs in the second half of this year before we have the foundations of a solid, mature industry that embraces its responsibility and understands the importance of doing the right thing as well as elevating its value and its reputation and doing it through self-governance. Because the message that I got clearly when I was in DC at the FTC or when I

was in Europe with their governments is if we do not self-govern ourselves, they will govern us, it's that simple and the history of industries is a repeat with examples of this.

If industries do not rise and take their responsibilities somebody will step in and tell them what to do. And so then they can't scream and they can't turn around and say, oh my god that's what they're doing to us. Well here's your opportunity, so your responsibility. And again as I said minutes ago and I say again, I was delighted by the response of the CEOs - superbly supportive, very understanding and very willing to engage with us at every level. In positive activities to raise the value and in the responsibilities they need to take to shape up the sector.

And this will help us Steve keep as I'm sure you know, this will help us in a lot of the discussions where we went back and forth with them and could never get through. Because suddenly if you have the more responsible industry - a cadre of people, of leaders who understand their responsibilities and who understand that they need to take their own governance seriously then frankly the debate takes a different shape. When we come and tell them there are IP issues, well there are IP issues and you as business leaders need to understand these and what are you going to do about them?

Right, so this is my intent here is to raise the dialog and the level of discourse to a different level and that's what we're doing - again many of these CEOs never called, never engaged in ICANN before, never. A little bit on the internal stuff at ICANN, I shared with you the full plan in Toronto, the plan is on track - we said we would report on Beijing. I can just give you an interim report, things are going as planned.

(Could it go) faster? Yes, I'm a very impatient man but so much we can do to move an organization that has for a long time in my opinion been little managed to organization that is highly managed. We do not have a lot of management structure at ICANN. We have excellent individual contributors, we do not have a management structure. So for example as of Friday we completed a three month project to take every activity at ICANN, every activity at ICANN and to build it into a single project management portfolio management system - it was done Friday evening, 509 projects.

It's the first time I have full visibility of what projects do we have, (I understand), where are they in their plan, when will they be done, what are the cost functions that are dependent on it? It's all in the system. Now it will take me another three months to clean it up because effective Monday morning my own staff meeting started with the dashboards of the system printed out in front of my team and discussing what worked, what didn't work, what is happening, what is not happening.

It will take us probably three months to get all of that cleaned up and when it's all cleaned up, as I told my team and I told you in Toronto, I intend to expose that to you because that's your projects, that's your money. You need to know what's happening at ICANN, you need to know where we're spending our time and money - and your money. So some of these things are already in motion, building a deeper second middle management team is also on the move, we added three new VPs in the last two weeks.

We do not have a middle management team, we do not have people who have managed a lot of people - we don't have many of them - we have a few but not many, understanding budgets, understanding how to deliver things. And then the last thing I'll tell you about which pains me but I will tell you, you're community, you're family here. We have a lot of work the change the culture

at ICANN so that we become a culture that is defensive and a culture that is more embraced in good responsibilities and a culture that is more accountable to the things we tell the people we will do (unintelligible) we're just - it's just not in our DNA.

And I want to be clear, our people work harder than almost any people I met in all my (stop ups) of companies I've been at, it's remarkable. I spend more time telling employees to stop and go home and take rest than in any company I've ever worked. And I'm not just telling you this, this is actual truth and almost sad for me - our people work too much and too hard and they care too much. Now I care as well, but I mean that cannot happen at the expense of people starting to be so stretched.

And I think a lot of that being stretched has to do with how well we manage people, so when I tell somebody how are you, why are you so busy, what the heck are you doing? Well until Friday I got answers that simply sounded like there's just a lot on their plate. Well now I can (look) through and I meet with any employee on my iPhone, I can even pull up what they're working on. And I can say, my goodness you have 17 projects, I couldn't do that - why do you have 17 projects?

Well, you know, we met with this person he gave me this, this person put me on a cross functional team, I met with the community of that meeting they asked me to do these four things, this board member called and asked me to do these two things and it adds up. Okay and when will you get them done? Well I'll go as fast as I can - that's not sustainable, it's just not sustainable. So not only are we putting the tools and the systems and the management discipline in place, most frankly engaged in a pretty extensive cultural change initiative within ICANN that started actually yesterday morning.

So that we can help people embrace a new culture of accountability of reasonableness in their scope and we can start understanding how to support so they succeed. And finally before I open it so I'm sure many of you have questions or I also want to hear from you about what's going on with your community, I want to say two things. One is to clarify a comment I made in Amsterdam on Friday - after Davos I stopped in Amsterdam and the press and some other people carried my comment and extrapolated it in ways that were not true. So I don't have time to go fix it with the public but you are who matters so I'm just going to explain it.

I did say publicly that I believed the way the trademark clearinghouse activities happened, I have made a mistake. And people construed that to mean I felt the whole thing was a mistake and we shouldn't of done it and, you know, this - let me clarify. I think as I have told you and I told some of you in person, I'm new to this process, (understand) that I'm new to this process and that I have learned - a lot to learn and I still have a lot to learn. It will be awhile before I fully appreciate the world I'm in now.

And as such, what I explained is that the way I went about solving what I thought was an issue in Toronto and I needed to do something about it and I still believe is an issue, I don't believe that the claims or the things that you brought to my attention, you know, are not right. Quite the opposite, I think they're very right, that's why I engaged, that's why I jumped on it. The mistake I did is that I did not fully appreciate the process and understand how the process should work.

And some people got very upset with me and I have now a complaint with the (best) person who's spending two hours with me this afternoon with the complainant to discuss with and that's fine. That's the process and I respect it deeply and I'll be there for it but I am not at all saying and will not say and in

fact I'm in vehement agreement with many of you in this room that we do have some issues and they have to be solved. If we are a responsible industry we have to face these issues and deal with them.

If I made a mistake (in how) that's fine, I'll fix that and get on with how, but I am not shying away from the importance of the matters you brought to my attention and that I still believe need to be addressed. And in case you're wondering, I am loving this job, I'm enjoying it, it's the toughest job I've done but I'm having a great time. I'm really liking it - I'm staying for now and continuing the effort with all my heart, with all my mind, it's too important, it's too important. So anything I missed sharing with the community?

I mean there is lots of things we could tell you, there just - but let's open it and make sure you have your questions answered and anything you want to share with me about your work and what you hope to accomplish here and how I can help, I'm here for that.

(David): And we will take some questions from the all participants but first I think Marilyn.

Marilyn Cade: Thank you (David) and thank you Fadi for being so (candid about) and also taking the time to help us understand some progression activities and I'm sure all of us are going to be both very excited about and I also wanted to be very engaged in.

I'd just like to comment on two things, one is the definition of what is the DNS sector is I think very important to the business community. And it is not in my mind limited to just the supplies, so I'm very happy with the range of things that you're talking about, but I want to put on the table a concept that after all the things that ICANN does...

Fadi Chehadé: Yes.

Marilyn Cade: ...affect and leverage online commerce and online services.

Fadi Chehadé: Yes.

Marilyn Cade: And I think looking at it from a business - but just use an analogy from years ago in the narrow band days when (Stipet) was the economist commerce and my dad does the (decision-making) he - and they did a joint analysis of how the Internet and online - and ecommerce were driving JP growth in other industry sectors.

And you're (stamping) that the impact of decisions on what at the time looked like a narrow set of plans was actually very profound to economic growth. So until you look at - and perhaps it's something we can talk more about ourselves - but when you look at the reputational issues and the idea of having a CEO engagement and understanding of the implications, I think I would just say from the business constituency point of view that we have got to also have interactions and understanding from those other markets that mentioned earlier but that are being driven by decisions that affect contracted parties.

The entire part of ICANN's job is the critical part but to me, you know, there is so much more to the role that ICANN plays and a company (by stand) Internet than just giving names and IP addresses, AS numbers right. So, you know, very happy to hear everything you've said but just want to broaden the concept in more for us to think about as well, what about the rest of the online business and the users of the online world which are also going to be affected by some of these (better systems).

On the idea of self governance some of us have been involved in helping to create some of those self governance models. And I will just say also more for us to talk about maybe how do we make sure that the self-governance is - also embraces the voice of the and involvement of the registrant and the users and civil society and not just the suppliers devising mechanisms that are not as (grounded).

Fadi Chehadé: Yes.

Marilyn Cade: My final comment has to do with thanking you for spending the time at the ITU World Conference on International Telecommunications and to reinforce everything that you said. There are other people here who were also there, Tony and (Kierston) and others, (where is) Internet governance changing not just ICANN but also the businesses that people are here advising or representing I think is very profound...

Fadi Chehadé: Yes.

Marilyn Cade: ...and hope that will continue. That you and our team will actually draw on the expertise broadly from a CSG company who are very often meeting with those governments on a daily basis, working with the IGOs and helping to influence the understanding and (unintelligible).

Fadi Chehadé: Very good.

(David): That was Marilyn Cade, if you would please identify yourself so that people who are listening remotely know that for sure. Can we go to maybe a question online? Would someone participating online like to ask a question or make a comment? Okay we'll go back to the room here, Steve Metalitz.

Steven Metalitz: Yes Steve Metalitz, thank you and thank you Fadi for that presentation and I echo some of what Marilyn would say and how I would sum it up is I'm not sure I understand your definition of the DNS sector, so that really I think needs to be clarified.

But I also appreciate your clarifying what you said in Amsterdam as you could imagine that support raised a lot of concern. I think it helped to put that to rest, but I think the larger question that we - that that has kind of drawn us into is this whole implementation versus policy issue and really boils down to is the brokenness of our, you know, policy development process - the extent to which we need to find other ways to deal with questions that maybe important but are not necessarily policy questions.

Do you think we need now to totally redesign that system for both developing policy and for carrying out implementation or do you think we can work within the framework that we've got? Because the sense I think the discussion growing out of the Strawman solution I think is put this whole issue in focus that we have a very serious problem with policy (alternatives to policy development process).

Fadi Chehadé: So let me - there are two things really here on the table - three things really that - if I could just answer these and then we can reopen it for one is the definition of what is the sector and who is in that sector - the second one about the participation of all the people concerned in defining a true industry-wide registrant bill of rights, (unintelligible) who should be involved in defining that.

And the third one as Steve said the absolutely critical debate that resulted from my mistake to engage everyone on, you know, how do we do the right thing here before we release this program on policy versus implementation. So

let me start with the definition of the sector and this is obviously part of the exercise, its part of what we're doing to figure out (okay) what is the definition of the sector? Because when we call frankly some people at Gartner, their first reaction is what is the sector, who is in the sector, what public companies are in the sector, how far do we go, what is the circle we build around?

For example I mean they asked us does every company that provide hosting services and also provides access to DNS services is it part of that sector? No. So they are frankly were looking to us to put that little circle around what is the industry. Now let me be parochial, from my perspective what I want to do now and urgently and in the short-term more than anything else is to get the people who are contracted with ICANN to really live within their responsibilities.

Because in my opinion as someone who's written and signed lots of contracts over the last 35 years, we do not have a healthy, structured legal framework for all of these players to participate in the ICANN (action), it's just not there. There are pieces of it, we have people signing different agreements, we have new mechanisms to go right now for example and tell most registrars that they need to sign the new registrar agreement, I don't even have that mechanism.

And what I'm doing will get called Washington to explain why the hell something didn't happen. But I can't tell the registrar to sign a new agreement, I find this remarkable. So I think I'll be parochial and direct, a lot of my effort here was to bring the people who have a direct responsibility to the distribution, to the value chain of DNS to actually really erase their profile because the reputational study we did focus on three words, registry, registrar and new gTLD, that's how we did the reputational analysis, right.

So it's really about them, about these guys. Now having said that I think both Steve and Marilyn are correct that if I use the term DNS sector it includes a lot more than just the registries and the registrars and their resells. And maybe we should as part of that effort get back from you, maybe we call them the DNS industry and we call the bigger thing the DNS sector, which includes a lot more people that get affected by the DNS. This is almost like the Internet, what is the Internet industry versus the Internet sector? I mean there are now companies in Davos that are in healthcare who claim they're in Internet sector.

Most of our businesses is moving on the Internet, right. There are media companies who said we don't even have a print paper anymore, Newsweek - is Newsweek in the media side or really in the Internet - is it an Internet company now? So I think these lines are getting blurrier and we will agree as part of this effort (on the sector) that I accept your input as very valuable and I'll be careful.

And maybe we do come up with a different label that describes those who are contracted and those who are in the distribution chain of DNS, registries, registrars, and sellers, etc., including some hosting companies versus the overall sector that is affected by the domain system. So that you for that input, I appreciate it and I'm open to more of it. Please let's comment on that before I go to the others - Steve and (Jenson).

Steve DelBianco: Steve DelBianco thank you with that choice in the BC, Fadi what we end up doing here but what end up comes out of the process is only two things, registration and resolutions and that's it. And so I support your notion of a registrant bill of rights.

Fadi Chehadé: Yes.

Steve DelBianco: That might even include the right of a registrant to get notified...

Fadi Chehadé: Yes.

Steve DelBianco: ...not to register something that's not (our biggest) abuse, just to give him a head's up.

Fadi Chehadé: Correct.

Steve DelBianco: And not just for 90 days, so but the registrar bill of rights, good idea - but we're going to miss half because half of what we do shows up as resolutions and resolutions of domain names and email addresses. That's the way well our global Internet see us, so users need bill of rights too. We can't do just a registrars bill of rights or we'll miss the whole resolution side. Those are our customers too and when they look to ICANN and DNS, they look at the DNS to give them availability and integrity of resolutions.

Availability is 24/7, 365 in every script and language, whether they're looking for a domain name or email address. It needs to work the same all over the planet and here's where our a vulcanized Internet is so troubled is it going to work fine? I'm on my iPad here in Los Angeles but if I travel to China hardly any of this stuff is going to work anymore. That's a problem - we may not be able to solve it but let's put it in the bill of rights. Another bill of rights is integrity by resolve a domain name, if I click on a link I have a right to expect that it's not going to be fraudulent looking.

Fadi Chehadé: Yes.

Steve DelBianco: I have a right to expect it (will resolve) properly all the way up the chain. And everybody on the right side of the table manages the resolutions without even

being a contract party. And I'm going to close by saying if you don't address the user bill of rights, we will miss - well we'll miss a huge chunk (of a gap of) information commitments obligates us to do. The affirmation talks about global Internet users and the global public interest and that is as much users as it is registrars, so let's not leave that out.

Fadi Chehadé: So this is very well noted here, I really like that and while you were speaking I did not think that as part of dealing with the value chain of registries and registrars. Let me think about this one because I really like it, I just need to figure out the best way for us to do this as a community.

But you're right, I don't want to miss the opportunity as we're phasing the profile of our sector and try to address that. You may want to talk (of flying) a little bit Steve, I could learn from you where we can address this properly. Should the registrar bill of rights is unique in that ICANN - there is some legal aspects to it that I want to make sure are part of the agreement for the registries and registrars. Now I need you to work with me to find out if there are legal aspects to the user's bill of rights that also can rise to the level of putting them there.

So let's talk about that, I like it a lot. But back to the registrants bill of rights, I want to say this when you tell registries and registrars we need to do that, they're first reaction, well it's already there - it's in the agreement. In fact if you go to our Web site and in fact you can search for that kind of term, something comes up that says, oh Section 3.6 of the agreement for registries says that and Section 17.4 says that and if you add it all up it kind of looks like a registrars bill of rights.

And they may be right, but they're making the point that even if it is right we do not have a truly nicely packaged thing with a ribbon that we can go to the

world with and say, we believe in these things. We believe in these things, we're going to adhere to these rights of the people who come and trust us to actually do their work. So we are going to do this as follows. I first asked my team to put together based on some research a strong - a blueprint of the registrant bill of rights, they did that.

I'm about to review it actually this weekend for the first time, they just finished it. They looked at some of the ccTLDs and other entities that have already done something like that, so I'm putting that together. And then I plan to review it with some of the CEO roundtables, just share it - so the next one on February 4 I plan to share it. So in the next few weeks we plan to just clean it up, review it, make sure it meets my (smell test) of something that is complete.

Then I plan to share it with the whole community for all of us to look at and give the input on, that should happen really no later than Beijing if not before Beijing, so hopefully at that time we have a chance to give us input. And I know you know Steve this would be very contested and people will have their opinions but that's okay, I mean that's fine. If anything we're raising - all I'm doing at this stage is getting the CEOs to say this is important.

They don't know the details of what's in it, but when their people start saying no we're going to fight over this word and this apostrophe in that letter, I'm going to call back the CEOs and say, look guys we either raise all of us to the level of accepting that it's not going to be what everyone wants but it will be strong enough that we can all stand behind it and not blush when somebody says, do you as an industry have a set of responsibilities towards the people that you take money from? Like a...

(Ellen Shankman): Is it possible to get in a question from - a comment from online?

Fadi Chehadé: Sure, just a minute we have one more hand here and then you go. But I'll just close on this that yes we intend to get it done in the next few weeks with some tough discussions with the leaders then I'll put it out for everyone to give me feedback and comments into and then we plan to contract it - so (Jenson) next and then the person online.

(Jenson Solofreo): Thank you very much.

Fadi Chehadé: And this is (Jenson Solofreo), please (Jenson) go ahead.

(Jenson Solofreo): (Unintelligible) just from, you know, from information (I received)...

Fadi Chehadé: Yes.

(Jenson Solofreo): ...it wasn't (unintelligible) we got (unintelligible) you know strategy that they cannot (unintelligible).

Fadi Chehadé: Yes.

(Jenson Solofreo): So for example in Africa (it talks about some) important (unintelligible) in the (unintelligible)...

Fadi Chehadé: Yes.

(Jenson Solofreo): ...(and the Internet) because - and I recommend initiatives of (unintelligible) in that regard...

Fadi Chehadé: Yes.

(Jenson Solofreo): ...and so (release there is) need to everybody along and (unintelligible).

Fadi Chehadé: Yes.

(Jenson Solefre): And these discussions say thank you very much, we had a good meeting in Dubai, we had the privilege of meeting a few (unintelligible)...

Fadi Chehadé: Yes.

(Jenson Solefre): ...and (discuss a lot of things)...

Fadi Chehadé: Yes.

(Jenson Solefre): ...and (there is a GAC boat - the GAC followed)...

Fadi Chehadé: Yes.

(Jenson Solefre): ...(and again a representation (unintelligible) in GAC, for example the person that was there (unintelligible)...

Fadi Chehadé: Oh yes the person you mentioned, yes when you were in the Dubai, yes.

(Jenson Solefre): He (talk about us) so the head of (immigration) is interested in (just listening) and including...

Fadi Chehadé: Yes.

(Jenson Solefre): ...so the structural (recognizance) you were talking about...

Fadi Chehadé: Yes.

(Jenson Solefre) ...if you look at seriously the (gentleman) (unintelligible) later...

Fadi Chehadé: Yes.

(Jenson Solefre): ...from ICANN (making that) request well there is something wrong here and it's difficult listening to the (content)...

Fadi Chehadé: Yes.

(Jenson Solefre): ...so the head of (unintelligible) WCIT very much interested in obtaining ICANN (unintelligible).

Fadi Chehadé: Excellent, okay we'll take care of that - that's very good. And I had - by the way I had lunch with the Minister of (Communications) of Nigeria.

(Jenson Solefre): Okay.

Fadi Chehadé: I had lunch with her last - this week, earlier this week.

(Jenson Solefre): Okay (Davos)...

Fadi Chehadé: She was in Davos, yes we had a great time and her husband was with her, we had a nice lunch. Yes and I did share with her that I met with your delegation and she was very pleased and asked me to come to Nigeria and meet with her and spend some time there. So I will try while we're in Durban on the way down to actually visit her - so I'll talk to you offline about that.

(Jenson Solefre): Okay.

Fadi Chehadé: But the letter to your representative of the WCIT will go and I just did a note - I didn't know that they're expecting a letter from us, but we'll take care of it right away. And again unfortunately the next time is that I don't "run the GAC," and there's a very specific protocol about my engagement with the government committee. So (David) will work there people, but we took note of it.

(Jenson Solefre): And lastly (to ask a) question, (unintelligible)...

Fadi Chehadé: Yes.

(Jenson Solefre): ...my interest in now ICANN was (still) - has prepared to engage ITU...

Fadi Chehadé: Yes.

(Jenson Solefre): ...in (about) the rollout - part of this rollout (unintelligible) particularly what is ICANN's strategy in ITU because we do know ITU is very aggressive.

Fadi Chehadé: Right.

(Jenson Solefre): And (that's because of) the ratings...

Fadi Chehadé: Yes.

(Jenson Solefre): ...so (we didn't) so really work up here.

Fadi Chehadé: Okay so I owe you an answer on both the outreach in Africa and the ITU and I still haven't answered the one question earlier about policy versus implementation, I'm keeping track. But let's just hear the person on line so we give them a chance to speak - please go ahead.

(Ellen Shankman): Fadi thank you, this is (Ellen Shankman), I'm calling in from Israel.

Fadi Chehadé: Hi (Ellen).

(Ellen Shankman): Hi Fadi thank you so much, first of all Fadi thank you so much for your presentation which you've gone through and all the effort you're making, they really are very well appreciated and received. And to the extent that it may be helpful for you in developing the user's bill of rights, I'm sure you may be aware of and if not I think you may find language that may be very helpful for you there.

ISOC the Internet society has recently at the end of - on the 26th of November released the results of the long-standing sevi - survey that they conducted for Internet users in 20 countries, highlighting what people's views are about the role of their expectations on the Internet on its impact in (live's of) society, concerns over censorship, excessive government controls and the roles of which should be, you know, basic human rights on the Internet. And so you may find some language in that study that may help support you in the development in the bill of rights that you're trying to draft.

So that's one suggestion and the other is I'd like to support what Steve and Marilyn have said about I agree with you totally that it's incredibly important for us to be able to show that we are responsible in trying to self regulate this industry to see. And that's why the suggestion is being made by the intellectual property constituency together with the business constituency whether a in the Strawman proposal or the other rights protection mechanism.

And again in the discussion of policy versus implementation is that they are all a serious attempt at self-regulation in coming up with responsibility and

not really a battle of second bite at an apple that's already been discussed, so I wanted to put that in as well.

Fadi Chehadé: Yes I must comment on this, first of all thank you (Ellen) and we will definitely decide some input from Steve. I will direct my team to think about ISOC's work and I will work very closely with (Lynn) who also endeavors to make sure that we rely on their work to understand how to create the user's bill of rights.

And the reason I'm saying I need to talk about this further with Steve is because I think with the user's bill of rights, there's also the opportunity to do something with our fellow Internet organization. So this is maybe an area where I'm going to Singapore shortly to meet with all the CEOs of the other Internet organizations. I will talk to them about maybe something we could do together with ISOC, the RRI's, etc. on that.

But back to then a couple of points, I'll climb back up the things that were put on the table. First on the ITU, so there is a personal level and there is a institutional level of dialogue. On the personal level I have built a rapport with (Doctor Turi), in fact my wife and I had dinner with his wife and him recently. So I can connect with him and talk with him and understand what's rolling in his head as best I can about the ITU.

And (Doctor Turi) and I in Dubai had a pretty tough pack - a pack of engagement that is fought with difficulty, it's not easy. But we did have a good pact and we agreed to work together towards a better dialogue. We agreed that many of the issues his constituents have need to be addressed, whether in a treaty or not we may disagree, but they need to be addressed. In the area of development we have an institutional connection with them.

So for example we're about to start a series of events around the planet and this has not been announced, so I hope we're not printing this out today but we will be doing a series of events around the planet called Multi-stakeholder Internet Governance - we're dubbing them MIG Works. Multi-stakeholder Internet Governance Works. The first MIG Works will be in the Arab region and the second one will be in Africa (this Dubai).

We're doing both of these in March by the way, doing these not as ICANN but with the rest of our fellow organizations ,so ISOC is involved, the RRI's are involved - all of these organizations are involved with us in this effort. This is not an effort to talk to governments, this is an effort to talk to the multi-stakeholders in this region and to tell them two things. That multi-stakeholders works and that's how it works and secondly to engage them in participating in the multi-stakeholder (in Dubai).

Right so these are two very important things that we're doing with these events. The first event will be on the 5th of March in Dubai, we'll have just about every head of telecommunications regulation agency in the Arab world, many ministers of telecommunications. It will have the CEOs of many of the large communication companies. It will have civil society, it will have academics, it will have (we're inviting) people from across the board for a two-day event.

This event we have now reached agreement with the IGF that the IGF will post it, so it will be an IGF - Internet Governance Foreign United Nations event and we are partnering with various companies and various players like UNESCO and others to actually (unintelligible). The second one will be in (Adesibaba) and that one back to you (Jenson) will be actually in partnership the African Telecommunication Union.

So we're showing (Doctor Turi) we're showing Africa that we have nothing against the ITU or the ATU. We actually think we should be partners, especially in enabling the African people to stand up and to own that market and make it a great power of growth that committed to that. I am very committed to that. But this cannot be an ICANN alone effort, it cannot do this on its own, so we are very engaged. I must tell you there is a lot going on actually that we are doing calmly, we're doing smartly, we're doing with the right partners.

And this event which will be called MIG Works will be actually a caravan show across the world, so we plan to do it four times in Africa, we plan to do it in South America, we plan to do it all over the world. In Asia and that's why I'm heading Asian tour in mid-February. I'm going to visit Tokyo, I'm going to visit Seoul, I'm going to visit Singapore, I will visit New Delhi, I'm visiting all the major capitols meeting with our stakeholders to make sure that they know we're committed to Asia and we are as we saw in the Economist in December, we are hiring a very senior VP of Asia very shortly that will actually be responsible for all of our Asian efforts in that region.

So that's just to touch a little bit on ITU and Outreach, there's a lot going on in that area - I won't take more time on this unless there are specific questions. I want to go back to the only other thing still on my agenda here and that's policy versus implementation. I must say the biggest outcome of the TMCH, the trademark activities that I did here and in Brussels which I did frankly with the clearest of conscience was the fact that there is clearly no clarity on this matter.

It just became so staunchly clear to me that we are at complete different, you know, on different planets when it comes to what is policy and what is implementation. On one particular day I can't remember Steve it is one of the

meeting you attended, the one here in LA, I mean my goodness I mean we had people that, you know, were pointing - we were pointing at an apple and one person was thinking it's an orange and the other was saying it's a peach and - but it was an apple and no one could agree, it was remarkable.

So one of the outcomes of that is that I asked (David Stein) to go and think about this and frankly they thought about it because they issued this short paper recently which is getting some input now from the community. And once the paper in my opinion was a well written paper by (Marika) and she really did a good job in at least laying out the issue. I still think we - I don't think we still have community agreement on that, this is a pretty thorny issue.

And whether the outcome - I think we are still getting comments on that paper, it's still in the open and I'm waiting to see all the comments. This is very important that you have not seen that paper and have not commented on it, please I need all the comments I can get on this paper, this is (Marika)'s paper on policy versus implementation. Because the more I understand how you view what she said, the more I can start shaping the debate. This is the kind of debate we should be having and having now.

You know, this is the big pin hole under the building and we can keep ignoring it and dealing with the wood popping on the first floor and nailing it down, but that's not going to solve the issue. We have got to go down to that pin hole and address it and we have to do it as a community. And this is not going to be an easy one but you know what if - I think the best, smartest people on the planet who can solve this are here.

So we should just deal with it and stop dancing around it and throwing more things at the house and with stopping and nobody wants to go underneath to find where the pin hole is. The pin hole is that we do not have mechanisms to

get things done on different tracks and an understanding when they go on each track. So everything gets shoved through one process and we know this is a recipe for sometimes, you know, the frustration that I felt when I first met many of you in this room, deep frustration with ICANN, deep frustration with our processes, deep frustration with how policy's made.

Almost incredulous people, you know, many of you in this room that I recognize told me how crazy this is. So no I'm there, I just think I - when I attempted to address it using common sense I quickly understood that that's my common sense, I need to get the community's common sense. So that was my learning lesson and I admitted that mistake, but that doesn't make the problem go away. We have a problem so as soon - when did the common period end on this, do you recall?

Man: Well we've asked for comments, we hope to have a session in Beijing to bring representatives together and talk about it further, so we haven't really put a deadline on those comments but we can surely encouraged that to happen.

Man: It's not up for public comment, it's simply within GNSO.

Man: That's right the discussion - no it was sent to all the SOs and the ACs asked to spread it around to their community and for comments.

Man: It might help to formalize comment period.

Fadi Chehadé: And put a deadline, yes I think (David) that we might want to do that because this is not like any other policy or item, this is existential, this actually says, you know, are we in a place where we can confidently tell the world we have a machine that works or not.

So I confirm - first of all I think the paper is well written and actually lays out the issues and provides at least a Strawman solution. But I need to hear from all of you, I am following this personally and let's indeed put a timeline and let's make Beijing rather than give us more comments, let's make Beijing hopefully a chance to start, you know, to face into the issue. To read into the issue together and have substantive debates. And then out of that hopefully can come good outcomes - is that okay with you (David).

(David): Yes.

Fadi Chehadé: Okay.

Man: Sorry thank you for the (highlight), thank you.

(Heather): Fadi question, I'm following up on what you just said and one of the very interesting comments that rattles around in my mind that was made by (Akram) this morning while we were enjoying our breakfast is the challenge that faces all of us and ICANN in particular in terms of building consensus.

As our community becomes larger these sorts of ideas that you discussed this morning, you've already identified the challenges in building consensus within the existing community and with our community about to grow it would be interesting to hear your views on this. What you see as the pack forward for building consensus on such issues as implementation, on open commentaries in which we're about to have a greater number of comments.

(For key), how those will be addressed by ICANN, whether ICANN has the resources to consider each of those in a serious fashion and really, truly how we move forward.

Fadi Chehadé: Okay this is a very good question (Heather) and one that torments me a little bit. Let me tell you something if we do not figure out how we're going to listen to the growing community, I mean because again ignore for a moment all the new people coming to the community due to the new gTLD program, but think about what is going to happen when all of our engagement efforts around the planet start bearing fruit.

I mean here we have just one comment from (Jenson) we met you in Dubai, you know, we lost our GAC representative. We need a, you know, we need effort from ICANN to get this seat fulfilled and he's right. Multiply that by the hundreds of things that are about to pop on us as a result of not just a new gTLD program but because we're finally engaging. We're really going out and hiring people (unintelligible) was just hired as VP of Africa. I mean he's not sitting, he's going around, he's meeting people, he's bringing governments into the fold.

I went to Dubai in one day I met with (three) country delegations that day I met with yours and all of them are now wanting to get engaged with us in different ways. So we're going to see a (see) change in the constitution and the breadth of the people coming to the ICANN community. I guarantee you its coming. A year from today we will meet again, it will be a different community, guarantee it. So two things torment me, the first - and you brought both up - the first one is are we going to be able to sustain all of that?

Are we prepared to sustain all of that? Today if this happened we will crumble, we will just absolutely crumble. Let me give you a very simple thing, I've built many companies, one on one, somebody needs to reach the company, who do they call? If somebody needs to reach ICANN who do they call today? Well they call a lot of people because there is just no mechanism to call ICANN really. So you call oh I don't know Fadi and I know (Chris) and

maybe this person will help me and I'll call Steve and Steve will call somebody because Steve knows people.

This is not sustainable, so we're rolling out the CRM system, we're rolling out the global support (function), there will be a 1-800 ICANN help. Sorry I have an entry point and my call will be logged into a CRM system and somebody will have to get back to me and I'll be able to look at a dashboard, see how fast we're getting back to our constituents - so tools, processes and people which are the foundations of building an organization are missing here.

So we are building these as fast as humanly possible and it's proving to be, you know, we're moving. Okay I have a clock - this is why when in Amsterdam I made the comment, listen if it were up to me I'd delay the whole gTLD program by a year. I wanted to say five years but of course I (unintelligible) but I said a year and there were people almost standing on the tables, I mean it was a shocking moment for them.

Man: They were cheering.

Fadi Chehadé: No they were about to kill me and, you know, it's remarkable that they're even surprised by that statement. It tells you that they are just, you know, like either they're living in stocked up mode where everything is rosy and beautiful and ICANN will deliver the impossible in three months or they just want to believe that, you know, we'll get it done.

And I keep reminding them it took you six years to put Guidebook and in six months you want me to get this whole program up and running perfectly - it doesn't work. And one of them stands up and says, you know what, why don't you do it the way I'm sure that you've done it at IBM. You know, tell us the

worse case analysis and then every time you do something well, you shave time off of it.

And I said well I'm prepared to do that right now, it will be three years - that's what I did at IBM. How long will it take? It will be three years sir, that's why IBM's always on time because we just put the stretch the goal. And of course this wasn't done like this, you know, we had all kind of expensive people building beautiful and then we told the customer, here it is - it can't be done in any less time. And of course, you know, we shaved time as we went, we always look back here. I asked the community, would you like me to do this?

I'm happy to do this, well you're all happy and I always meet my deadline. Or would you rather I go at this like the start-up desk because I have no choice. And why don't I have a choice? Good question, so I ask myself that, why don't I have a choice? Because I sincerely believe that if the new gTLD program is rolled out properly it will be good for the consumer. It took me awhile to get there, but I actually now I'm a believer that if we roll it out properly and we take care of the things that need to be taken care of, it will end up being good for consumers.

You know, I learned it the hard way, I have - my mom is 87 and many of you know that by now because she came up quite a bit in the trademark discussions and I gave her an iPad when she was 85. She had never used a typewriter in her long life but she's now an avid user of this. So she begged me this Christmas to get one for her sister - her sister is much younger, she's 82 and she lives in Egypt, she doesn't speak English.

So I gave her the iPad and of course the iPad has this nice feature where you can switch it with usually a button into another language so it's all in Arabic now. The problem is she can't spell English, she can't even spell dot com in

English. So there is a value in us releasing dot com in Arabic even if it's VeriSign. Everybody says oh you're helping VeriSign, I don't care if it's VeriSign, I'm helping a user. A user will be able to spell their full Web site name in their script - that's a good thing, that's a good thing.

No wonder Russia has 800,000 new domains all in (Cyrillic) for a reason, because it makes it easy for people. So I'm convinced the new gTLD program is a good thing and I don't want to delay just so that I meet my deadlines. But at the same time I was addressing (to you) saying don't get on my case every time I miss a deadline because I'm dealing with this like a start-up mode.

Steven Metalitz: Fadi I think you were addressing part of the community...

Fadi Chehadé: Yes.

Steven Metalitz: ...(unintelligible) in their response to it.

Fadi Chehadé: It will be different, here you tell me wait do it would right.

Steven Metalitz: I think we say we agree with you, if it's rolled out properly...

Fadi Chehadé: Yes.

Steven Metalitz: ...it could be very possible, but on the current timetable the chances that it will be rolled out properly.

Fadi Chehadé: There will be - I agree with you, so this is the (bad) frankly that I'm trying to find in your spot on, this was Steve speaking for those of you on the phone and he's right on that while these guys and - the people who are not in the room are the people Steve is worried about, it's the users.

I'm thinking also for users I'm not just thinking for registries and registrars, I'm thinking users. Is this good? Yes but it has to be done right. Are we going to make a few mistakes? Yes but it can't be at the expense of messing up the whole DNS sector and all the people who use it, I'm there. So I'll go back to you, if I haven't scared you enough (Heather), you should be by now quite scared that I'm very worried about the onslaught on us. But I am equally active in trying to put tools, people and processes in place so we can get this right.

And I will tell you these were not there three months ago, there were no tools, people and processes. There was a lot of good people with good will who will take your phone call anytime, but that doesn't scale. The second thing you brought up which is much more profound is consensus and this is, you know, this is since (Socrates) time, been teaching people, you know, how to create a consensus - how to create consensus when you have a lot more people.

Both my boys are out of the house now so my wife and I can reach consensus on different things a lot faster - if around the table she and I we can make a decision. When our adult boys were still in the house a few months ago it was harder because, you know, they have opinions. So as our family grows and we have more people around the table, is consensus philosophically feasible? This is an excellent debate and it's one that I think has been settled in a way even if it's very difficult.

But the consensus is the way ICANN (communicates) works and it's all but sacred, it's the way we have to do it. I think what will happen is we're going to take a lot longer to get certain things, just like it takes longer with my two boys to get to (announcement). It will take a lot harder effort, it will mean that our team and many members of the community have to be better facilitated,

have to be people who know how to facilitate a debate between more consensus parties. We can't just throw it at the table and sit back.

I told my team you need to (band to) facilitate a discussion because we now have a lot more people at the table. But consensus is the rule, it's the way it should work. And all this I'm going to get philosophical on you and tell you in my opinion one of the most - one of the reasons I wake up every day after four hours of sleep every day now for the last four months and continue to doing this is that - is that I believe we have an opportunity here at ICANN to actually show the world the way to govern a common resources (ICANN consensus).

And the world is failing in that, look at air management discussions at the level of the UN, it's an utter failure. And that's the only other resource like ours that is borderless and vital and they don't even have the economic power we have, so ours is much harder. Ours affect economic interests in a major way, a lot of people. So how are we going to govern this? The world is watching us - the world is watching.

If we can go from the model of the last 12 years of ICANN, which was a smaller community to new model where not only we have new gTLDs but we have the world at our doorstep now saying, this is important. We heard it in Dubai, country after country said this is too important - we're all over this. The 40% of the people I met in Davos who said Internet governance is important, they said it's extremely important, it's just that the other 60 don't know.

I met with the Vice Chairman of (Aclamite) and after I spent 20 minutes with him he says, oh my God, you need to come meet (George) the Chairman of (Aclamite) ASAP, this is too important for us. So as soon as the word comes

out and we see it in people like the economist start writing about this, geopolitically what we do will be very important. So with all of this on us, we have to somehow maintain or figure out how to do consensus better.

Part of what Steve is bringing up, we need to do policy versus implementation decisions and get better policy process that works better. If we don't the world will over (roam) us and frankly we will be left behind. This is now essential, we cannot continue like this. We cannot continue barely with the (unintelligible), imagine when we add all these new people coming to the table and saying frankly are you nuts? I have to wait two years for this PDP to go through?

It's not feasible. I mean Viviane Reding and Neelie Kroes the two Vice Presidents that look after our area said in Davos, they said we're coming to the painful conclusion that on most issues regulation cannot keep up with the speed of the Internet - that's quite a statement from these two ladies that have a lot of power in Europe and in the world by the way. And so can we move at the speed of the Internet or are we going to be left behind? I'm worried about it but I do believe on a positive note that the right people to solve this issue are in the room.

I'm convinced of that, I had my doubts when I started about some people, but frankly the more I get to know you, the more I get to work with you, you all care, you all are thoughtful people. You're here for a reason, you want to make it work and frankly if we can't make it work I don't know who will make it work. Then we go hand it to the ITU and say, you make it work - it's not going to work. So I'm sorry if I depressed you, I didn't mean to I just meant to be positive, but your question was very deep, very important.

(David): We have time for one last question, Tony.

Tony Holmes: Yes Tony Holmes, a couple of things to go back on if I may.

Fadi Chehadé: Please.

Tony Holmes: But first I'm very glad to hear that you are staying, you clearly understand how (unintelligible). You mentioned roundtables that had taken place...

Fadi Chehadé: Yes.

Tony Holmes: ...and I certainly think that's (unintelligible) to come from a - also I think that scenario that could be expanded into other sectors as Marilyn said and certainly from our perspective our space connectivity providers it would be a great benefit is that included business and those elements could be undertaken along similar lines.

It would help us in many ways, it would not only help us in ICANN, it would help us engage and get those people focused on things like Internet governance very much as.

Fadi Chehadé: I like that idea.

Tony Holmes: It's been...

Fadi Chehadé: Can you help me with that Tony?

Tony Holmes: That was the offer I was going to make.

Fadi Chehadé: Okay then your offer is accepted, I'm doing one for the ccTLDs, CEOs in London on March 13, we can ferret with that if you want...

Tony Holmes: Okay.

Fadi Chehadé: Happy to do it, and then at the end of these roundtables I'm doing a summit of all the leaders and that's planned in New York so - and that will be in April - date to be announced shortly. But if you - I'm very happy with your proposal, I think it's a good one and it's a miss on my part, I should of thought about it. Let's do one roundtable - that's a whole day affair because we bring them the team that will describe the reputation analysis.

Describe - we did a very good even analysis of the market and its size because we couldn't find anybody on Wall Street who did it, so we got someone to do it with some very interesting predictions of the sides of the DNS sector for the next few years. We also did a clear analysis of our areas of responsibility that have been missing and how we should - so we could repeat the whole program for your constituency and if London is not too bad, it would save me time since I'm there for that and the whole crew coming for the cc's could say an extra day and do it for your constituency with great pleasure.

Tony Holmes: Okay thank you for that.

Fadi Chehadé: And we'll work - the contact for that is (Chris Mondeen), but I'm sure (David) will support you on that and we'll make it all happen.

Tony Holmes: Okay thank you and just one final...

Fadi Chehadé: Oh sorry Tony, go ahead.

Tony Holmes: ...just a quick point, I was very interested to hear you speak about the midworks.

Fadi Chehadé: Yes.

Tony Holmes: And one of the things that went through my mind is I think a number of us here we've been involved in no initiatives with ICANN but initiatives in trying to bring the ITU community particularly on (this)...

Fadi Chehadé: Yes, yes and (Elaine) has talked to me about these, yes.

Tony Holmes: It hasn't really been that successful (if I understand) that I think in some areas, particularly in areas for instance like the addressing where we've tried to reach out and get a better understanding and an education we always end up where we change very few people's views.

And there isn't enough follow-up, so one of the things so I would certainly suggest may help is actually having a plan beforehand how you can throw out. Because it isn't just a case of presenting that on a day and making the good stand so that they plan to stand, it's the follow-up that counts.

Fadi Chehadé: Yes, correct.

Tony Holmes: That's the part that's been missing sort of.

Fadi Chehadé: I can't - I second you on the fact that we do a lot of events that we don't follow through. We need to do less events and more follow-through, I agree with you on that. What we had missing is a structure of follow-through. We had people who were very well meaning who would show up at these meetings and make the right presentations and then go away and then be busy with the next meeting.

So sadly who you will meet today - and this is very important actually I think because of that, can I (borrow) five minutes? This is very important what you just said makes me think of something because you will meet (Sally) and I want you to discuss this with her. I'm going to draw this if you don't mind.

(David): Okay.

Fadi Chehadé: There was a (unintelligible).

((Crosstalk))

Fadi Chehadé: I can't draw because there are people on the phone so let me be verbal, that's okay - tell Steve yes, I forgot there are people on the phone.

Man: Steve, Steve.

Fadi Chehadé: So let me explain to you what (Sally)'s role is because that will directly solve what you just said Tony I think. We have an issue in that when you engage - we engage with fashion, we engage with intensity, but we don't follow-up on these (games), that's irritating a lot of people.

And that would be okay if we had a small community back to (Heather)'s point. Now we're going to have people all over the world, we're doing discipline - in March we're doing events all over the world. We have a lot of things going on now. So (Sally) now leads our engagement Vice President, and their staffs, she leads them. She owns that layer of engagement, that front layer that deals with any event on the outside.

Now who she engages with and what is her strategy of engagement comes from three areas, okay and this is very important. It comes from (Sadi Camel)

who is responsible for our governmental engagement, so he feeds her. He says look in these regions where you have all these VPs, I need this work done in Asia, this work done in Europe, so you direct your VPs to help me get this strategy implemented in these regions.

Similarly she now has a new guy who just started, you will meeting him (unintelligible) okay, (Cyrus) is in the building you should meet him, he's a new Vice President. He is the Vice President of our DNS industry contracted parties, he's new, he just started, he's a week on the job. So this person will tell (Sally), look I'm responsible for the contracted parties, this is my strategy for your regions, this is what I need done in your regions. And then the third and last person that will feed (Sally) back is (Bishman) who's responsible for the SOs and ACs.

So he will go to (Sally) and say, for me to engage with the SOs and ACs in these regions, this is the plan. Now he should produce that plan by talking to all of you. And this is by the way (David)'s new role, so in addition to his policy development management role, he's also now the head of engagement for the SOs and ACs. So any engagement outreach activities related to bringing more people into our SO and AC structures has to come out of (David) and (David) has to get it from you.

So I invite you to participate in that new way we're engaging where everything goes through these three key people and then (Sally) puts them together and produces her engagement plan for 2014 and that's how we're working now. This way (Sally) follows up - (Sally) executes what the three people tell her they need and reports back on that and he then in a way he is (Sally)'s customer, right. And you need to tell him what is it that you want to achieve in the business community in every one of these regions. It's (unintelligible) come up to him, him to (Sally) and (Sally) will deliver it.

I just wanted to share this with you, it would have been easier with a picture, but since we have you on the phone at least I hope I was descriptive enough so you appreciate how we're doing our engagement and outreach. Strategic planning and then delivery at the level of (Sally) and that's where I will hold (Sally) responsible for follow-up. So don't just do MIG Works in the Middle East and tell all the Arabs, you know, here's Internet governance, you don't need to go through the UN, it works, MIG works - come to us - this is how it works and here's ISOP and here's (WC3) and here's the RRI's and you can work with all the guys.

But then follow-up with their engagement, right follow-up with their engagement and report back to each community what we've done to engage their community. Now you may be sitting there saying, why are you doing all these things and we're just finding out about them from you? You must be thinking that. Why didn't you tell us ahead of time you're doing something in Dubai (unintelligible)? So the Dubai and (unintelligible) MIG Works are what I call our pilots with the IGF.

So we're going to see how it works and with the ATU - we're inviting the ATU, the IGF - we're going to see how it works. ISOP's coming, RRI's are coming, we're going to see how it all comes together. If it's successful, I already have told my team to budget and plan to work with the whole community to do this across the globe and then we will need deep engagement with you so that we're not just doing these things in a vacuum, we're doing them after we discuss them with you, you understand what is their value and you've helped us get the right people there and you've helped us follow-up with the right people after that - is that helpful Tony?

Tony Holmes: Yes very helpful thank you.

(David): And I have one last question from (Mark).

Fadi Chehadé: Okay I'm all yours.

(Mark Ikenburg): I'm (Mark Ikenburg), first of all thank you for your time and (energy), very refreshing. My question or comment as you discussed working or shoring up the framework of the (positive) process that the 50% implementation is creating a more effective structure, particularly with regards to the stress that will be put on the current system due to influx of all these new participants in the community through new gTLDs.

So any thought been given to also shoring up the framework of the structure of the (GN) so and, you know, whether the current structure will still really be effective in this new reality of all these participants that really are blurring the current and past distinctions that maybe were even so effective before but now when you have, you know, companies that maybe before would have been in the IPC or the BC but now are registries and/or registrars and, you know, it seems like the current system may not be effective with the large number of entities really belong in so many different constituencies.

Fadi Chehadé: Yes we are looking into that and there is a major project effort that is commissioned by (David) but led by Denise Michele who now reports to me and is looking after specific structural issues. I do believe everything you said is thought on in the sense that we do have a creaking situation. It may survive, but it also may not - we're seeing already some of the difficulties because of that.

This is a pin hole under the house, just like what is the definition of policy versus implementation, are our structures capable of embracing the scopes

we're about to see? The answer is most people are doubting they will, but I don't have categorical information that says they're going to fail. So I asked Denise to work with (David) and his team to actually start an analysis effort and to get back to me as soon as possible and I'm - I have deadlines on everything I ask people to do.

But as soon as I have this and I review it and if it meets my at least initial quest of satisfaction then I need to put it in say look here are our issues and I met with (Jonathan Robinson) in Amsterdam on Friday to discuss some of that at a very high level, just to tell him that I'm looking to that and I need (the part). And I think that most of the leaders of the community understand there is an issue, no one is running away and doing this. You know, they're saying there is an issue, it's just how we address it.

And I'm a great believer that before I come out and put everything on the table, I need to understand things inside a little bit myself. I unfortunately am an engineer at heart so I have to get to the bottom of it, what is really breaking up and what is deep analysis of that rather than just the commentary on it. So I am in that process right now and I'm hoping again that with frankly the little time but I have but I'm looking for analysis and as soon as I get it I will get back to you on that. I will get back to the whole community on that - but there is an issue (Mark), you're (spot on it), sorry but the facts.

Okay I'm sorry I took more time than you had allotted me on the agenda, I hope this was helpful. I will go meet your colleagues next door and I think I will see all of you again for lunch...

(David): That's correct.

Fadi Chehadé: ...today?

(David): Today.

Fadi Chehadé: Today I'll be back for lunch, you won't get rid of me.

Man: Okay thank you.

Man: Thank you.

END