CBUC,

This is an informal status report on the Vertical Integration WG. As one can imagine, this topic is quite complex with many varying interest and hence I am sure I missed something here. I have not passed this around to other CBUC members on the VI Team prior to posting on our CBUC list, so I invite them all to add or correct anything included here.

**VI Social Text:**

<https://st.icann.org/vert-integration-pdp/index.cgi?vertical_integration_pdp>

**VI Email Archive:**

<http://forum.icann.org/lists/gnso-vi-feb10/>

**VI WG Members from CBUC:**

Mike Rodenbaugh

Ron Andruff

Jon Nevett

Jarkko Ruuska

Michael Palage

Berry Cobb

Mikey O’Conner – VI WG Co-Chair

\*\*60+ total persons signed up for WG, with 10 – 15 participants being the most active on the calls & list

**VI WG Summary:**

April 26th begins week six of the VI WG. As expected, there are passionate positions with respect to the topic of Vertical Integration and there has been extensive debate on the weekly 1.5 hour calls and mailing list. In addition to discussion of the economic attributes about integration, there has been extensive debate about the “Single Registrant” model (single user vs. multiple user). This discussion matches a portion of our 11/2009 VI Position Statement. Benefits and harms to contracted parties have mostly dominated the discussion with minor focus around consumer harms. However, consumer harm is not being ignored and many on the WG reference it or ask about it.

The main topics of debate, either through example use cases or specific discussion about a proposal is as follows:

* Cross Ownership
* Functional Separation
* Single Registrant TLDs
* Equivalent Access
* Legal / Audit
* Security / Gaming

To date, there are eight Proposals submitted for review with an expectation for one or two more. The latest version of the proposals can be viewed at <https://st.icann.org/vert-integration-pdp/index.cgi?https_st_icann_org_vert_integration_pdp_index_cgi_vi_resources>. Upon review, you will not see much consistency among the documentation, because proposals were created prior to constructing a template given our time crunch. A sub-team combined with other side efforts is now tasked with the creation of a framework by which the greater WG will evaluate each proposal and ultimately garner consensus on one or a combination of proposals. This VI Analysis sub-team just formed and targets May 10 for work product submission to the larger WG. The CBUC is leading the sub-team effort in addition to co-chairing this effort.

On April 14th CBUC members of the VI WG held a separate conference call to discuss the WG activities to date. Most of the conversation revolved around two proposals and other issues within the call. Future huddles of this nature are expected to continue.

Overall, the VI WG is moving forward swiftly, pat on the back is rightly goes to the WG co-chairs for keeping such a large group on task with solid momentum. May 21st of the target to have VI proposal published in time for Brussels and to make the deadline for input in to the DAG. The timeline is extremely tight, but confidence for making the deadline remains high.

Lastly as a head’s up. One should expect change with respect to Vertical Integration. There seems to be a sense of consensus with some forms of cross ownership, single registrant TLDs, and at least initial periods of Vertical Integration to establish market position. More to follow…….

**CBUC VI Initial Input Statement Due 5/6/10:**

While I personally think changes are warranted to Vertical Integration that are counter to the existing CBUC Position Statement dated 11/2009, I feel it best to resubmit the existing position for the initial VI comment period. Not only will this save the CBUC a bit of work, to date nothing on the VI WG meetings would change our existing consensus position (…yet). Further, the number of CBUC participants on the WG adequately represents CBUC concerns at this point.