THE BROOKINGS INSTITUTION

CONVERGING ON THE FUTURE OF GLOBAL INTERNET GOVERNANCE:
THE UNITED STATES AND BRAZIL

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Moderator:

HAROLD TRINKUNAS
Charles W. Robinson Chair and Director, Latin America Initiative
The Brookings Institution

Panelists:

DANIELLE KEHL
Senior Policy Analyst, Open Technology Institute
New America Foundation

CAROLINA ROSSINI
Vice President for International Policy
Public Knowledge

IAN WALLACE
Senior Fellow and Co-Director, Cybersecurity Initiative
New America Foundation

PAUL TWOMEY
Chief Executive Officer, Argo P@cific
Former Chief Executive Officer,
Internet Corporation for Assigned Names and Numbers (ICANN)

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P R O C E E D I N G S

MR. TRINKUNAS: Good morning, everybody. My name is Harold

Trinkunas. I direct the Latin American initiative in the foreign policy program here at the

Brookings Institution.

And I'm happy to welcome you to our event, "Converging on the Future

of Global Internet Governance: The United States and Brazil."

Before -- I'll be moderating the panel. Please do join us during the

conversation today. If you would like to live tweet, we're using the hashtag #Internetgov,

as is up on the screen.

But before I introduce our panel, I'd like to just take a couple minutes to

talk a little bit about what motivated us to write the report that we're launching today,

which, hopefully, you had a chance to get a copy of on the way in.

It's a report that I co-authored with my colleague, Ian Wallace at the New

America Foundation, based on field research we did last year in Brazil as well as

research here in the United States.

What originally motivated the research was actually the Snowden

surveillance revelations and the reactions around the world that the two of us saw to that

incident. And the decision to focus on the United States and Brazil arose from the fact

that Brazil was one of the most prominent critics of the US surveillance role in the wake

of that scandal.

But what we ended up finding is we went through this project, and

instead of this being a research project about surveillance and cyber security, the global

internet governance story ended up being by far the more interesting and I think

significant aspect of the project. And our report, in fact, focuses on what we see as an

emerging opportunity for change in a topic, in a debate, international debate, which has in a sense been stalemated at the international level in some ways.

And so what we do in this report is look at how both Brazil and the United States have shifted course in the debate on global internet governance. Brazil, from its traditional criticism via its dominance of this space and its advocacy for multilateral diplomacy as an alternative to existing multi-stakeholder approaches to internet governance, and the United States opening the door on the Obama Administration to changing aspects of the present global internet regime, particularly the internationalization of ICANN as a possible alternative to the current arrangements that we have in place today.

And so these two countries together, by converging on some ideas on how to change aspects of global internet governance have, in a sense, opened the door through which we may see a new approach or a somewhat different approach to global internet governance in a way that we hadn't seen before. We had seen, in fact, the stalemated debate between the United States and its allies. And on the other side, the Russians, Chinese, Brazilians, and Indians focusing on the multilateral process through the UN.

So to make sense of this, the possibility that we might have some new options on global internet governance, we thought it made sense to look at the United States and Brazil together to think through what the possible alternatives are as we move ahead.

I mean, of course it makes sense to look at the United States. I mean, the reasons are obvious. It was a pioneer in the creation of the internet. Many of the governance practices that we today see in the global internet governance space are, in fact, inherited from practices developed in the early days of the internet in the United

States.

But Brazil is also an important actor to look at in the global internet governance debate for several reasons. First of all, as an early participant and frequent critic of the present internet governance model, as a large democracy that was critical of present global internet governance arrangements, as a country with a highly successful domestic internet governance model based around multi-stakeholder arrangements.

In fact, Brazil and the United States, when we look at them together, illuminate sort of alternative options available to democratic societies to preserve what we now have, which is an open, free, innovated, unfragmented global internet.

So looking at these two countries together, as we do in this report, I think helps us think through what is the present state of the debate on global internet governance, what are some of the key issues that have to be resolved as we look ahead, and what are some of the options that are available to countries as they deal with the public policy issues associated with the existence of this global internet that we all depend on.

Let me just take a few minutes now to offer brief introductions of our panel. We have a very distinguished panel here to talk about these issues, and you have their biographies in the handouts that were available to you as you came in.

But let me just highlight a few things about each of my colleagues. Our first speaker will be Ian Wallace, who is a senior fellow in the International Security Program and also co-director of the New America Foundation Cyber Security Initiative. Also my co-author in this report, who will be going into a bit more detail about the substance of what we found. He previously served as an official in the British Ministry of Defense with a focus on cyber security issues before also serving at Brookings, and now at the New America Foundation.

He'll be followed by Danielle Kehl. Am I pronouncing that correctly?

MS. KEHL: Yes.

MR. TRINKUNAS: Who is a senior policy analyst at New America's Open Technology Institute. She has worked on a range of internet governance and internet freedom issues and has served as an advisor on internet-related issues to US delegations, to significant multilateral conferences on internet governance issues.

She'll be followed by Carolina Rossini, who is the Vice President for International Policy and Strategy at Public Knowledge. Originally from Brazil, she's a lawyer who's worked on intellectual property and internet policy, previously also associated with New America Foundation -- I think I'm noticing a trend here -- the Electronic Frontiers Foundation, and also the Berkman Center at Harvard University.

And finally, we're joined by Paul Twomey, who is the CEO of Argo P@cific, an international advisory firm, but somebody with long experience in the internet governance space, in fact, the former CEO of ICANN, and also chaired the Governmental Advisory Committee in the Internet Corporation for Assigned Names and Numbers. So somebody with deep experience, direct experience with the kinds of global governance issues we will be talking about today.

Without much further ado, I think I'm going to turn it over to Ian to lead off the discussion. I expect each of our speakers will speak about eight to ten minutes, and we'll follow this with sort of a Q-and-A session where I may take the moderator's privilege to ask the first question or two.

Go ahead, Ian.

MR. WALLACE: Harold, thank you very much and thank you for coming to listen to us talk about this report. It was a lot of fun writing it, and I think actually hopefully provides a slightly new perspective on an issue that a lot of people are talking

about.

The report is first and foremost a policy paper, and like all good policy documents, has a list of policy recommendations in the back; recommendations for the United States, for Brazil, and for what we call the global internet community, which is (inaudible) but essentially shorthand for those people who actually make the internet work.

But it's also a history of the internet up to this point, or at least internet governance, albeit told in a slightly unconventional form. And Harold explained the reasons why we took this approach.

And so in order to appreciate how we got to our policy recommendations, I think it's probably important to give you a sense of our telling of the story. And so before I summarize in essentially three sort of thematic areas the recommendations that we gave, let me offer you four key milestones or at least dates on the journey towards the circumstances that led us to make the recommendations that we did.

The first of those dates is 19 -- or first of the years is 1974. And this is the date when, or the year, when Bob Kahn, Vint Cerf, and others published TCP/IP, which is the protocol which -- by which networks are able to connect or it's a protocol by which networks are able to connect with one another.

And the key point here is the triumph of TCP/IP over all other protocols for connecting networks. And I think now we look back to the sort of foundation methods of the internet, back to the OpraNet, and assume a sort of natural progression from there to where we are now.

And I think our point is that this is by no means inevitable. There were many governments, particularly in Europe, who saw governance of the internet basically being built off the same governance structures that govern telecommunications, which

were very governmental and more organized, sort of, you know, within an organization they become part of the United Nations.

The triumph of TCIP sort of happened for a number of reasons, not least of which it was free and had lots of backing from the United States government behind it. But the consequence of that is the academic culture behind the creation of OpraNet and the slightly empty establishment, certainly consensus based approach, that had formed that suddenly became the basis on which what became the global internet was rooted.

And so you've got this sort of slightly paradoxical situation where the US government essentially owns this but this sort of oddly non-governmental structure is at the center of that and, therefore, you have essentially the beginnings of a multi-stakeholder approach. And that becomes very important going forward.

Second year is 1995. 1995 is the date of the establishment of the Comite Gestor da Internet, or cgi.br, which is the organization in Brazil that was established when the decision was made by the Brazilian government not to impose a state monopoly on the internet in Brazil but rather let the private sector have its way.

This owed very much to the United States, and it's not surprising perhaps to learn that the people who brought the internet to Brazil had been educated and had been to America to bring the internet to Brazil. But the effect of that was it enshrined at the center of the Brazilian internet, once again, a multi-stakeholder approach.

And the significance of that, however, is twofold; one, it was a particular take on the multi-stakeholder approaches of rather corporatists, which evolved over time with different people having sort of assigned positions. But it also meant that at the point when Brazil came into the center of internet governance, they had sort of a reference point, a multi-stakeholder reference point to go to.

And there's some debate about how effective cgi.br has been in sort of

the development of the internet in Brazil. But the fact that they exist is almost the most important part about this story.

The next year is 1998. Important for two reasons. Firstly, it's the year when -- well, it is the year when every single country in the world was connected to the internet. And perhaps not surprisingly or perhaps related to that, that was the year when countries really began to become concerned about the digital divide and what the internet was doing to their business, which prompted a decision at the International Telecoms Union to suggest a world summit on information security.

It's also the year that due to commercialization of the internet over time the US government decided to essentially privatize the allocation of names and numbers and established ICANN but did so in a way that they didn't feel that they could completely let it go so kept a string of control on it, put it under contract to the Commerce Department.

And then over the years that followed that, in 2003, 2005, the world summit actually happened and you get a debate which has shifted, now that ICANN existed, to a question of how governance ought to work and basically ended in a compromise where different roles were allocated, governments were given a role in public policy.

But essentially what emerged was the status quo, that the multi-stakeholder approach continued, and actually the one innovation, the International Governance Forum, reinforced the multi-stakeholder approach.

And then finally you get to 2014, post the Snowden revelations, as Harold was saying. And you'll recall and the hosting in Brazil of the NETmundial, which is a conference inspired at some level by the CEO of ICANN, Fadi Chehade, who saw the risk that Dilma Rousseff, President of Brazil, who was personally upset about the US

spying on her communications, would take Brazil in a very unhelpful, in the direction in terms of internet governance, and essentially got alongside her and said, "Look, there is an opportunity here for you, Brazil, who've traditionally had a foreign policy which has been defined as sort of slightly anti-United States. Snowden has given you the opportunity to be anti-United States by being more pro internet, more pro multi-stakeholder and (inaudible) cgi.br."

And I think the Brazilian foreign ministry to some extent sort of realized that they had to support this, created NETmundial, which provided a basis for which the multi-stakeholder approach could be embedded within sort of discussions of internet governance that went well beyond names and numbers.

So that gives us the sort of context for three different sets of policy recommendations. The first of those policy recommendations is around the IANA transition. And our view is we sort of work through this. It is increasingly, and I think this is shared across the internet community, increasingly untenable for the US to continue in its role of having a contract for, you know, one small area but a symbolic area of internet governance with names and numbers and the important of transitioning that into a more international model.

How that's done is under debate at the moment, but there is a limited amount of sort of pushback within Congress and other places about whether that should happen. And our recommendation is that it's in the US interest to get that process complete.

Second (inaudible) WSIS+10 process. It's a 10-year review of the outcomes of WSIS, which is going through the United Nations at the moment. And our main focus there is on recommendations for Brazil in the internet governance community, trying to encourage Brazil who, since NETmundial, have been riding two horses

essentially; a multilateralist that should be done within the United Nations, sort of

exemplified by their foreign ministry who sort of reverted to type a little bit, and multi-

stakeholder approach exemplified by other parts of the Brazilian government.

And our argument is that they should back the multi-stakeholder horse

and use that as a way of sort of demonstrating international leadership, taking the Indians

who have recently sort of signed onto this idea and others with them, in a way to ensure

that internet governance doesn't get pulled down and distracted.

The UN can't actually do a great deal substantively to change things but

it could, could get in everybody's way to distract people from the really important issues

of internet governance over the next few years.

And the final recommendation is around the NETmundial initiative. The

NETmundial initiative was an idea, again, I think that probably (inaudible) or Fadi

Chehade and much less of a triumph than NETmundial itself to take forward what came

out of NETmundial is an ongoing process to provide a multi-stakeholder framework for

discussing some of the public policy issues that go beyond his sort of day job or ICANN.

And I think that -- my own view, and Harold's as well, this is a great idea

that has been badly implemented. And choosing world economic forum as a partner is

being controversial in some parts of the world. And as a result of this, ISOC, the Internet

Society, have said that, you know, they're not supporting the NETmundial initiative, which

was clearly not a great -- undermined the initiative to a certain extent.

But our contention is that if not NETmundial initiative itself, then some

way of having multi-stakeholder discussions in a way that it involves governments but

isn't totally dominated by governments is actually a very good thing for the internet. And

as a result of that, you know, we are encouraging the Brazilians through cgi.br, who are

the third partner initiative, to push to make that more inclusive in a way that it can fill a

gap that we think exists even beyond the existing IGF opportunity.

MR. TRINKUNAS: Great. Thank you very much Ian.

And before we turn to Danielle, I just wanted to point out to you that in any discussion of internet governance there are many, many acronyms thrown around. And we actually have, on Roman Numeral IV of the report, you'll actually find a list of the acronyms used in the report but many of the same acronyms are being thrown around up here at the front table. So that might be helpful to you as well. And you'll, on the opposite page, find the policy recommendations in executive summary.

Danielle, why don't you take it away.

MS. KEHL: Thanks. Thank you, Harold, and thanks for having me here and for writing this very helpful I think and very interesting report.

I will say also, the acronyms don't get any easier the more time you spend working on this, because they're all very similar as well. We find that a lot in the IANA transition.

So as a bit of background, and I think Harold touched on this a bit in the introduction, but my perspective on this, I come at this issue both as a researcher and an observer of global internet governance processes and then also as a participant in some of them.

So my research on internet governance at New America has focused on US foreign policy related to internet governance, particularly post Snowden. So what has changed and what the Snowden revelations have done in terms of the viability and credibility of the US internet freedom agenda, which is one of the major State Department initiatives around internet-related issues, not just internet governance, but it encompasses many of those issues. And with a recent emphasis on the IANA transition and the questions that are currently being debated about ICANN accountability.

So in that capacity I've, you know, written reports and have also done some work trying to help educate Congress on stakeholder perspectives on the IANA transition, sort of what's happening in the community process, why we should let that go forward, why the IANA transition matters, but what's at stake as well.

But I've also served as a member of the US delegation to the International Telecommunication Union's last Plenipotentiary Conference, which is the meeting they hold every four years to set their agenda.

And I participated in multi-stakeholder forums, like the Internet Governance Forum, which Ian mentioned. So I've seen this from a number of different angles, including both sort of the multilateral and the multi-stakeholder side of the process.

So with that, I'd like to talk a bit about the US perspective and what's happening here. I think to start, this paper and sort of the analysis makes a really excellent and important point about this deadlock between the multistakeholderists and the multilateralists, or whatever you want to call them. I think it's sort of this idea about where and how we should be creating processes to govern the internet, has slowed progress on actually dealing with the problems that we're trying to solve.

So developing common solutions and best practices for issues like digital inclusion, like cyber security, like net neutrality. We can't get there a lot of the time because we are fighting about what type of system we want to use to get there, what the world multi-stakeholder means, what kind of model that is, rather than actually trying to solve the problems.

And I'm not saying that to diminish the importance of that debate, but to say that from a perspective of solving these issues, it is I think generally recognized that it's a challenge. And I think since the WSIS, you've seen that sort of nowhere more

poignantly come up than in the discussions around the International Telecommunication Union and sort of the push and pull about what its role should be in internet governance.

Which is important because the ITU is a UN agency. It actually long pre-dates the UN. It was originally the International Telegraph Union. And its role is to facilitate the global interoperability of telecommunications networks.

So the question that's been sort of the center of the debate for the past few years and before that is this question about whether it should work on internet governance issues at all.

And so when you watch the negotiations happening in a place like the Plenipot, what you see is the sort of push and pull for whether or not we should have language or references to the internet at all in the documents of the ITU, and the treaties, and in the resolutions.

And you actually see this sort of very funny references to what came, what happened during the WSIS process where there were sort of a document that both reaffirmed the multi-stakeholder model but also talked about the importance of governance. I think people have different favorite references that they try to push into these resolutions, depending on whether they support the multi-stakeholder or the multilateral model.

It's very interesting. And it's particularly interesting from a US perspective because the United States has always argued that the multi-stakeholder model is the way to go and that the International Telecommunication Union should stay completely out of these issues.

And that aligns very well with the sort of global internet community perspective for the most part, because they're both sort of perceiving a common threat to the multi-stakeholder model.

For the US, I think there's a variety of reasons. There's, you know, genuine support for the model that was developed in the US. There's also an interest in a model that still favors US influence much more so than the multilateral model would.

And for a global civil society, it's a question of what forum or how they can have a seat at the table. Because in a multilateral system, governments take the lead and they can decide who gets to sit in the room, and how, and when, and in what capacity; whether they can speak, whether they can participate at all.

So it's very interesting. What it means is that they sort of have these two strange bed fellows that are pushing for the status quo in these forums. The outcome that they want is for nothing to change because they're sort of trying to stop a threat. And from a public policy perspective, in terms of thinking about solving problems, that's I think a little bit absurd for that to continue, you know, in perpetuity.

And it's increasingly difficult, you know, after the Snowden revelations because of the general distrust of the US.

So with that in mind, sort of getting back more towards what we were talking in the -- what you're talking about in the paper, I think the NETmundial meeting last year was important for, you know, the reasons that are outlined in terms of what it means for the shift within Brazil, but also critically important for the evolution of this global multi-stakeholder model.

A lot, I think there were a lot of concerns going into the meeting about how it came about, about what it would do, how it would relate to the internet governance forum. But I think at the end what happened was people actually saw the multi-stakeholder model work to a large extent and create an actual outcome document that people generally felt pretty good about.

It didn't give everyone everything that they wanted, but nothing that is

trying to operate on consensus is ever going to do that. So I think that's very important.

I think the other thing that happened last year that obviously is sort of a critical turning point and happened around the same time is this announcement of the IANA transition and the decision that the US is going to give up its last bit of oversight over ICANN.

And it's a critical piece of this story because I think the paper observed sort of very aptly that since the internet originated in the US, a lot of the governance policies and practices have been developed in this sort of organic and piecemeal way.

And so this is a very good example of that. You know, the ICANN system is an outgrowth of the fact that the internet started as this small technical and research network in the US, and it's made it a political target in a lot of ways. Its relationship with the United States, its origins, and that's been a huge challenge, and it's been a distraction for a long time from greater public policy issues that need to be solved.

And since Snowden, you know, there's basically no chance that it's going to continue that way. So what we're seeing now from that perspective is the US government, and the global community, and other governments actually stepping up and trying to figure out how to solve this problem, which is a fascinating process to watch. It's a very important one.

And I think the great part about it is that if it succeeds, we can move onto solving all of these other issues. And I'm sort of -- I'm very optimistic that the IANA transition is going to happen still, obviously not on the timeline that it was originally outlined. That came up yesterday in the hearings in Congress.

But what will be fascinating after that is where the US goes next. Because it was a big step forward to decide to give up oversight of the IANA functions. It was a big step forward to endorse the NETmundial meeting.

So we're going to have to see what steps the US takes going forward after that, where the United States government is willing to give and in what forums they're willing to engage to actually, I think, sort of start moving towards a place of progress rather than protecting the status quo.

So thank you.

MR. TRINKUNAS: Thank you very much, Danielle. And I think your last comment highlights actually an important larger point that we can make, which is in general how does the United States think about engaging with the rising powers as it thinks about the international order, and building support, and legitimacy for existing institutions by making adjustments that accommodate some of the interests of these emerging powers, such as Brazil.

Carolina, why don't you take over now.

MS. ROSSINI: So first I would like to thank Harold and Ian for the invitation and also for our dialogue over the past months on the report. It was a wonderful process to really reflect on, I think, this historical inflection point that we see nowadays on internet governance.

I think that happening WSIS when it started almost a decade and a half ago when we are seeing that happening now again with the convergency of two strong countries.

So -- and I think for me it's very interesting to see what is my role along with that, as Danielle was started. I started almost 15 years ago as in-house counsel for the biggest ISP provider in Brazil.

And at that time there was no civil society working on these issues in Brazil. And it was very interesting to see how important it was to play a role of translating, and translation and education to policymakers in Brazil and also the

academia community, which I was part of, to really start creating this field and understanding how technology would actually impact in the long-term development of Brazil.

And I think that was -- it's a very helpful way of seeing this need for constant translation of what's going on because that's our role actually at Public Knowledge where we try to translate, not just to the American Congress and policymakers, but also to the civil society globally, really always trying to educate, and bring, and create new opportunities for engagement for those, both in Latin America, which is one of my priority regions, but also through partners in Asia, and Africa, and Europe.

I think that training and that empowerment, I think it's really important to always have prepared and expert people at the table. Opportunities for engagement through the multi-stakeholder process, I think they're just going to grow, and we need to prepare for engage. So I think that's one of our biggest roles that we play, that we started playing when we were at the New America foundation and now at Public Knowledge.

And I think it's -- the paper came out in a very, I don't know if it was a coincidence or plan, you tell me later, but in a great moment that actually we see that convergence, that future already happening. If you guys have followed the visit of Brazil to US the last week of June, you actually see this convergence clear in the papers and in the community care that came out of that visit.

And I think that was really important because a lot of things that I said and wrote when the Snowden revelations came, was that the US had lost its legitimacy in the internet governance and policy worldwide, because US was seen as a leader on freedom of expression, and open internet, and things like that. And with the Snowden

revelations, that hegemony was lost, that leadership was lost.

And I think this process of engagement of US and willingness to engage both to multi-stakeholder participation but also with some leading countries like Brazil and Asia, and Japan, and others, it's really important to rebuild this trust.

And I think that we are now, and I mentioned about inflection because I think this community care that came out on June 3rd is the clear expression of rebuilding that trust. Right? Brazil went out and knocked on the door of UN, the door of the Commission for Human Rights, to come out with that privacy resolution with Germany. Brazil is working on projects on privacy with Germany and China, for example.

And that was our reaction, to say okay, what do we do that now we may not be able to trust you, at least for a while. Right? But I think you asked did a concerted effort to really bring back Brazil and allow conversations.

It's a gigantic change if you see when Dilma canceled her visit to US in October of last year or two years ago, and now she's back visiting US. She came -- and I think that's a very important also move for Dilma. To have the president of Brazil, I don't know if that news has arrived in the US, but the last survey of her acceptance by the Brazilian population, she's down to nine percent.

So she's in a very, very, very delicate moment inside Brazil that links of trust between the Brazilian society and Dilma is about to be ruptured. People are talking about impeachment. I doubt that would happen, but I think that also shows why she brought a gigantic caravan of business with her, because she needs to rebuild also internal links.

And this business now in Brazil, they want to link with US. For the first time there are real talks of establishing bilateral trade conversations. Brazil had refused to be part of ACTA, for example, and now those conversations are back in terms of our

meet finally is going to be able to arrive in US. Lucky all of us.

And I think there's going to be a lot of efforts both by Dilma and US, and that's a very opportunistic time for Dilma to actually rebuild trust with part of the Brazilian society, rebuilding distrust of US.

And the stress is not just on internet governance. They communicate a series of areas from environment, to food, to sustainable development goals and so on. So I think that's a very interesting moment to observe, and let's see how that's going to reflect on the acceptance of Dilma inside Brazil.

Brazil also plays a very important job, political role. And I think you asked this, is well aware of that and I think that's -- I see a normal amount of investment of time (inaudible) by the State Department and other organizations in US regarding Brazil. Brazil is the leader of the G-77. Brazil is an important player in the BRICS, also to kind of balance a little bit what's going on with the other less democratic countries.

Part of the BRICS, Brazil is a leader in America. Brazil is a leader in cyber security in Latin America, asking less help from OAS, the Organization of American States, than the other countries.

Brazil already has an agenda white paper and a center for cyber security. Because Dilma really bought into the multi-stakeholder process, even the military is now talking of civil society to implement our cyber security agenda.

So it's a really interesting moment to see Brazil moving forward and to see Brazil adopt a culture that actually was not natural. Right? We never had many town hall meetings like it's part of US since US was founded.

This is very early. CGI was one of the early experiences of multistakeholderism in Brazil. The Working Party actually tried something like that in the '80s regarding participative budgets, budgeting and financial issues, but that never really

worked through Brazil, just in a couple of cities.

So I think it's really interesting to see that constantly dated. Not just with CGI, but also with Congress on a series of initiatives and policymaking processes. Marco Civil was not the only law that came out from a crowdsourcing style participation. Many others actually came out through similar processes.

And I think I'm very curious to see how the future's going to move and how they communicate, all the lines establishing that communique will move forward. Brazil and U.S. do have a concerted effort to move forward the social development goals, and they have recognized -- ICT has an enabler and they are working on making IST ready, like the readiness of IST to enable social development goals.

And I think moving forward there are some processes that worth pay attention to, which is the WSIS process that will culminate in the December meeting in New York, but also all the cyber security process is moving forward.

We now world that more than 25 -- I have that number. I'm not sure right now, but it's like 20 to 30 countries already have cyber security agendas and are moving towards the long cyber security process. I think those two areas are very important to observe and how Brazil and US will act together and in convergency.

Thank you.

MR. TRINKUNAS: Thank you very much, Carolina, and especially for highlighting how, in a sense, the internet sector in Brazil was really a pioneer in terms of civil society participation in governance.

And really I think what the report highlights is the extent to which this is also a case where Brazilian civil society and public opinion really influenced the formulation of foreign policy in a way that's actually rather unusual in Brazil, and in a sense helped to overcome maybe some of the traditional inclinations towards multilateral

processes, which are the preferred mode for Brazilian diplomacy when it interacts with the rest of the world.

So thank you for doing that.

Paul, if you could close us out?

MR. TWOMEY: Thanks, Harold, and thanks to you and Ian for the paper, for writing perhaps a very important paper, and for the invitation to be here today.

Some people in the audience might pick up I'm Australian. And just a little -- two things. A little bit about my background, and then therefore my approach in the next eight minutes on the paper.

I was, in the '90s, the permanent secretarial head of agency for the body in Australia that coordinated all the information economy issues for the federal government. So I was the senior bureaucrat looking after all the stuff and worked closely with the White House and others, both in private sector and technical communities, but also the governments of Japan, Canada, the United Kingdom, and the European Commission in response to the Green Paper and the eventual formation of what became known as ICANN.

I was the chair of its Government Advisory Committee for four years and then -- so I was trying to escape. Vint Cerf persuaded me to come back and be the CEO for the next seven years.

I, for the last five years, have run a cyber security and other advisory firm, do a little work in internet governance, particularly in China, Middle East, Eastern Asia, some parts in Europe. And that will all reflect a little bit my comments that I'll now make.

I'm going to assume that you've, if not read the paper, at least had a quick glance at the recommendations in the front page or two and might have some

sense of the history here. But if not, well, bad luck. That's what I'm going to assume.

And the first thing I'd say is congratulations to the authors in writing the paper. I think it's important in picking out these linkages and the roles between these countries is very important.

To me it's very self-evident because I've lived this for the last 15 years, but I recognize that for many others these linkages and this interplay is not self-evident, and yet it is an important part of framing the ongoing international discussion and confluence around internet governance.

I'd also make a couple of sort of more general observations. Congratulations for picking up the role of the Office of the President of Uruguay, Fadi, and also Hartmann Glossar (inaudible), CGI in terms of influencing Dilma at the right time, probably I think against advice -- well, traditional advice from the foreign ministry in Brazil and also frankly residual advice left over from the advisors to Lula. Lula's own advisors were not at all of that view.

So I think that was a significant change. And I think it indicates yet again that serendipity, opportunism, and technical responses are very important international relations. We tend to write this stuff like big tactics. But let me tell you, it really works that way I think.

The other thing I'd make an observation about this multilateralist, multistakeholderism, I think it's worth unpacking it in a number of ways. Multilateralism is often seen to have its origins in the Treaty of Westphalia.

I think there's two parts to the Treaty of Westphalia that's worth pulling apart. One part was the whole coming to the end of the wars of religion in Europe; that each state was equal, that all states could interact with each other, this idea that states coming together, being treated equally, was the way to convene, balance.

I think actually it was failure. All investors set down at the same time, literally at the same time in this sort of stuff. That was one part of it. And that we often think of this as the multilateralism, the so-called, as the Chinese often call for democracy in international system, which is one country, one vote, that sort of stuff. In other words, limit US power.

But the other side of the Westphalian system was that the prince got to choose religion. So bad luck, it doesn't matter where you live, you get the religion of the prince.

The multilateralism in the governance debate is the latter, it's not the former. The people who come to internet governance debates (inaudible) multilateralism really don't give a stuff about one-to-one government and all that stuff. What they care about is I'm the sovereign, I get to decide in my own country. I get to choose your religion.

So I think we should keep that in mind, that multilateralism is again referred to in this arena, a lot of it is actually sovereignism, if you want to put it that way. It's about sovereign control around networks and communications.

The multilateralists tend to be the people who made the internet work. They tend to be the people who just came together and make this stuff work. A lot of it's supported by liberal democracies because that's the way they do their domestic policymaking. And everybody can turn up and scream in your ear if you're in the government. Therefore, stop complaining to me about it. Go sort it out yourselves is sort of a response.

And that's sort of part of the origin of multilateral -- multistakeholderism. But it's also, frankly, a set of discussions around a set of global elites. You know, elite intellectual property lawyers and elite technical people. You know, it's not a broad-based

thing. It's got civil society, but it does tend to have a set of international elites.

And because the United States was the first mover in the internet, the US has had a very strong advantage. And so in that system it's not unusual that other people who resent the US power or are skeptical of US power see US power behind the multi-stakeholder perspective.

I would point out that China's probably shifting at the moment partly because it's booting a very large internet base in industry at home.

I do think the NETmundial initiative in Brazil has achieved several things. One, I do agree with the authors that it's allowed a space for the Indians in particular to move. And we have seen in this (inaudible) a group of ministers from India finalize a sort of on-again/off-again process that's been going on near for well on 10 years to move more strongly behind multi-stakeholder approaches. I think the Brazil move has made a big difference to that.

I wouldn't underestimate, however, the quiet diplomacy from the US and European countries and non-governmental actors like, for instance, the International Trade and Union Confederation in trying to influence people in India and particularly in Sub-Saharan Africa, especially since the WCIT meeting in Dubai about the benefits of multi-stakeholder approaches.

And I think, I wouldn't want to put it this way, but a skeptic could say that the Brazilian move has been an interesting stalking horse for others to come behind. And so I think quiet -- there's been a lot of quiet diplomacy going on in this arena from other players.

My own view a little bit on the NETmundial initiative itself, the authors say the NETmundial initiative which intended to build internet governance capacity around the world could provide a further avenue for developing countries to access

advice and assistance in solving difficult internet public policy issues and advance the internet freedom agenda.

This is a perspective from the Western Pacific more. I think the jury is still out on this. NETmundial does not bring financial resources to the task. Nor frankly was the UN ever going to. The WSIS is full of all sorts of commitments, but we know what that means. They weren't really going to bring financial. The market's going to bring the money to this issue.

And I do think, and I'm sort of exaggerating a little bit to make a point, but I do think that NETmundial has a continuing legitimacy deficit in the eyes of many governments. I think in my region it probably does.

It's not clear I think in the Western Pacific, and maybe I'm talking too long about it, but it's not clear in the Western Pacific as to why Brazilian leadership is in itself significant. The US at least invented the internet, and it's the world's leading technological power. Brazil is neither of these.

Further, the invitation process for the first NETmundial was seen by many governments as chaotic and bordering on capricious. There was no mechanism, there was no clear mechanism, unlike say the WSIS process or IGF, et cetera, which came through a traditional UN process whereby people understood how the invitation process would work.

And I think that's contributed to an ill ease concerning legitimacy. The development of the draft statement from the first NETmundial upset people like the Chinese, particularly the Indians who had problems with it. But I think stuff got out really quickly. So people knew there was a draft that had been floating around Brazil for a while. Right?

And so there was this sense of we've all been railroaded into some

Brazilian thing that works for Dilma and she's got an election coming up in the next 12 months. You know, that sort of analysis, at least in the Western Pacific was fairly common.

So I'm not trying to say NETmundial is a bad thing or there's opportunities going forward, I think there are, but I think it starts off with a legitimacy deficit that will take -- I don't know how you overcome it and how you upgrade it, vis-a-vis the IGF.

And so that's the other issue on the policy side I think is important, I think through how do these two things link together. The IGF I think comes with legitimacy because it comes over the WSIS process. There's all the concerns about it. I know there's other criticisms of it.

There's been more clear statements coming out of NETmundial. Interesting question in my mind is where does the presenting government sit on these two. Some of the most recent statements around the IGF seem a little bit, maybe I'm reading them incorrectly, but they seem to be we'll support IGF if it passes certain tests for us. Maybe I'm misreading it, but that's what it sounds like.

So in terms of policy, especially in the recommendations around for the United States in the paper, I would suspect it's not in the US interests to see the IGF process undermined strongly by NETmundial. If the two can work together, I think there's real opportunities.

I think definitely NETmundial brings an increasing legitimacy out of the civil society side in terms of presentations of agreed statements, which is a lot of positive aspects on. I'll be fascinated to watch the Chinese perspective on IGF now that they've decided be to be engaged in NETmundial at the next level.

Now, I speak, that's probably driven a lot by their BRICS policy, but I'll be

interested to see whether they then come back to the traditional view in the UN of the UN should be a multilateral system and we shouldn't have multi-stakeholder. I don't know whether they're going to or not but that's going to be an interesting thing to watch.

Another couple observations very quickly about the Brazilian processes on this base for the last 10 years or more and this is my practitioner's response. I think like other Latin American countries found at the beginning of the 19th century, and Brazil, excuse this very much an outsider's perspective, seems to me to have an inclination, it seems to be an influence, it seems to me, by Napoleonic Code and US legal, early US legal traditions in having an inclination to refer sort of law legitimated organizations and mechanisms with an ability to, you know, find a home for my problem in a century delineated head of power.

I'm always interested when I go to Latin America generally, and you'll see parts on the wall where people -- you know, (inaudible) why and there's a statement under what legislation, under what provision of the Constitution actually in the (inaudible) and I don't know how much it happens across Brazil, but it's interesting across Latin America when I (inaudible) and you see them.

Now, let me just speak as an Australian, speaking as a citizen of Parliamentary democracy whose Constitutional framework essentially is some sort of derivative of a medieval monarchy, this need for explicit constitutional power statement is overly limiting. And I can tell you, Australian ministers do not like the idea at all that they can't simply make policy. You know, they cherish the ability I can make policy on this issue without having to go back and find what's that link back here, what's this sort of logic step back to some Constitutional head of power, per se.

And I think that plus the sort of corporatist aspects that were referred to earlier about the nature of the CGI model meant that sometimes some of the Brazilian

proposal from the foreign ministry pride on NETmundial, which were we should have a place we can all come to where we can solve our problems, and the thing looks very much like the CGI placed internationally, was quite alienating to many countries. I mean I know it got discussed probably more than the Brazilians understood in various capitals, but part of it was why.

And this doesn't work for me domestically. So this corporate aspect, which the paper refers to quite well I think, is another area where there's a dissonance. Certainly in the Western Pacific there's a dissonance about, hey, you do domestic policy and who gets to talk to you, and how that works. Just an observation.

My final observation I think also, and just thinking back for a period of time about Brazilian interactions and how much the NETmundial thing has been a real change, is that I think there has been quite a degree of conflict in the 2000s between the Brazilian foreign ministry and its domestic ministries. I think they've had different perspectives, they're not the only country, on the issues of internet governance.

I think also what was interesting is there was an ongoing debate between ANATEL as the telecom regulator and CGI for about what was the model in Brazil. Again, far from an unusual circumstance and quite a fight for influence in Brazil.

I'd also make the observation a little bit about the IANA transition. I do think that's going to go ahead. I do think the timing was talked yesterday.

The one observation I would make about the IANA transition is never underestimate the capacity for governments to say one thing publicly, another thing privately. So throughout, especially the Bush Administration when there was a lot of criticism of the United States government, and Europeans and others would all come out calling for you to put a move on this IANA transition, you'd be amazed how many then came to this city and privately said fine, leave it alone. So they would say one thing

publicly and a completely different thing privately.

And so it's been interesting I think once this administration has moved on the IANA transition, frankly the degree of a little bit of ill ease by the same countries going, okay, it looks like the Americans are moving forward, I hope this all works, which I think is interesting.

So I might just leave my comments at that.

MR. TRINKUNAS: Thank you very much, Paul, for those very interesting comments and for highlighting the fact that this is still very much an issue under debate, and even though we do see some convergence among governments, there's still some doubts. There's still governments that don't speak with a unified voice, either here in Washington or in Brazil.

So while it was encouraging to see that the joint communique, as Carolina pointed out, by the US and Brazilian presidents at the end of President Rousseff's visit a couple weeks ago explicitly commented on the multi-stakeholder process for option, there's still very much (inaudible) paper there's doubts within Brazil and between the foreign ministry, ANATEL, and the (inaudible) about what the appropriate direction is to take on the future of this debate.

We've had -- I think our panel has had a very full discussion, and I think we have some time now for some questions and answers. I see people already putting up their hands. I won't take the moderator's privilege because we've gone a little bit over our time up here on the panel. I know I'd like to give some time for Q and A.

The one thing I would request is I'll keep a list and call on you. If when I call on you, if you could just wait to proceed to the microphone. There will be microphones out on the floor. And if you identify yourself and your institutional affiliation, that would be most helpful.

And I think Veni had the first hand up in the back.

MR. MARKOVSKI: Hi, Paul and everyone. I'm Veni Markovski. I'm actually ICANN's Vice President for UN Engagement, so the topic is very near and dear to my heart.

You talked about -- I mean some of you in the audience also may know that there is a WSIS question debate going on right now at the UN. It started last week. I urge everybody to join in and follow what's happening there because some of the icons you two are discussing in your paper are being also reviewed at this intergovernmental discussion, which includes also a lot of stakeholders.

Do you think that -- or how do you see the Brazil vis-a-vis the UN discussions on WSIS question and you talked about the IGF continuation and stuff like that, but that's only one small part of the WSIS. I mean, the WSIS Tunis Agenda is huge. And by the way, I understand, you know, kind of the conversation was focused only about ICANN in like 90 percent. But ICANN is not even mentioned in the Tunis Agenda and the Top-Level Domains are mentioned I think three times.

So do you think -- what are your expectations, to the authors but also to the other panelists, whoever feels comfortable to respond, with regards to the process in New York at the U N?

Thank you.

MR. TRINKUNAS: Terrific. Let's take a round of three questions. I think we had a question over here and then I'll come back to the other side.

MR. JOERN: Having come down with a summer cold, a mike is helpful.

My name is Bill Joern, and I'm Executive Chairman of a startup called ROI3, which is creating apps for the developing world. And what brings me here is to try to understand the evolving structure of the internet world as it will proceed over the next

several to 10 years.

However, I have to first say that, only jokingly but as a sad product of a Jesuit liberal arts education, I really am overwhelmed by Mr. Twomey's reference to the Treaty of Westphalia and bringing that forward to the internet age. Tip of the hat to you, sir.

We're looking at what the structure of the internet world will be five years from now as far as the company is concerned, but I'm sure everybody here is also. Am I misconstruing it, or is it fair to say that the internet world, through the multilateral approach and so forth, will be, in effect, deconstructed and maybe reflecting on the de-Americanization papers that have been out there for several years, and somewhat reconstruct it on a regional basis or a country basis, reference was made to India? And if so, could the respondents tell us how that's going to look worldwide in terms of regional structures in several years?

MR. TRINKUNAS: Thank you. And I think we had one in the middle. I think the gentleman with the white tie. And then in the next round we'll come back to you.

SPEAKER: High, Alexander from the council on (inaudible). This question's actually for Ms. Rossini. You talked about Brazil's leadership role in internet governance. What do you think is the situation of the internet -- the situation of the internet in Brazil today? Companies like Google, organizations like the Committee to Protect Journalists have to declared that Brazil's one of the leading countries that request country removal. In Brazil there was a Congressman, he sued 38 journalists 44 times to have country removed because he didn't like what the people were saying about him.

What do you think -- what's your position on this (inaudible) Russia laws and how does the President Gorman try to remain a leader in internet governance when it's being pretty repressed for the home?

Thank you.

MR. TRINKUNAS: Thank you for those questions. I think what we'll do is we'll just go straight down the panel, and panelists, you just address -- you don't have to address all three. Pick out what you want to address among the questions that were raised just now.

MR. TWOMEY: So I'll pick up the second question. I think it leads into an answer to Veni's question.

I think what we'll see over the next decade or so is a convergence between how the world organizes generally and how internet governance is conducted. And so you will therefore get a mix, and the multi-stakeholder model itself is, in some ways, a confusing construct.

There are many elements of operating the internet that are quite properly the business of governments, particularly around security. There are other aspects that are purely the responsibility of the private sector, and some bits that are done sort of by civil society on a sort of personal basis, people sort of chipping in their time.

I think, however, what you're going to see is, you know, global governance is going to become increasingly distributed by the geographically sort of rise of the rest increasing involvement of, you know, countries outside the US in global politics, and that non-governmental organizations are going to take an increasingly important role.

And that will be reflected in the way in which internet governance has to work because governments can't do it all themselves. I think that the challenge is getting the right people making the right decisions. And that's basically what NETmundial and what WSIS, to a certain extent, is all about, so that the particular decisions lie with the right people and the right groups of people are consulted in coming to those decisions.

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And I don't know where that's going to end up, but I suspect it's going to be less governmental than global governance has been historically.

Linking to Veni's point, Veni's question, I think Brazil has quite happily been riding two horses; the multilateralist horse and the multi-stakeholder horse. I hope that in the WSIS+10 process they become stronger advocates for a more multi-stakeholder approach. And I think, you know, reflecting the way in which the Indians are moving, there is a hope that that will take place. But I think, you know, to Paul's point about the sort of back (inaudible) being from US and Europeans, I think there's still a good deal of work to be done to persuade them that it is actually in their interests economically and other ways, as well as, you know, a good thing to do for global society.

MR. TRINKUNAS: I'll jump in very quickly using moderator's privilege to just add a couple points to address the first couple questions.

I think what we hope or I think the report identifies in this moment of convergence is that there's sort of -- there's real progress that has been made in the debate on the processes and procedures by which you make decisions about internet governance. I mean Danielle pointed to in her comments in the last couple years, and potentially that more progress will be made in the next two to three years as the US and the various -- the IGF, the WSIS+10 process resolves itself, the NETmundial initiative becomes whatever it becomes, that process part of it is working itself out.

And it has to because the other thing that's going on, the other important trend, and this is not my observation, it's actually I heard first Ron Deibert make this comment, is that the internet user base is basically shifting south and east.

And that's bringing a whole group of people with different values and ideas about governance processes to the table or with concerns about the public policy issues developing around the internet. And in many ways the solutions the United States

found is the first mover, which were sort of ad hoc, and organic, and were taken up as the issues became relevant, may not form sort of a coherent package of answers that are useful, or attractive, or, you know, even can be implemented by many of the governments in sort of the global south and east. I'll leave it at that.

MS. KEHL: Thanks. And I think you actually -- I think you make that last point sort of about reconciling the values and considering the values of the much larger internet user base than the one that existed when a lot of these governance structures were first created or conceived, is a critical point.

I do think, you know, in response, I'm responding mostly to the question about sort of what the internet structures look like in five to ten years, there is a real risk and a real debate happening right now about this issue of fragmentation. So this question, and some of this was sort of pushed to the forefront I think also by the Snowden revelations, which was sort of this reaction by a lot of governments that well, if, you know, if we're being surveilled on the global network, if the US has this (inaudible) out of control, we'll build our own networks, our own internal intranets, we'll have e-mail routed, you know, only within our country as much as possible, we'll have European clouds or Brazilian data localization, or all these sorts of proposals.

They did not, certainly did not originate with the Snowden revelations, but I think that sort of pushed it as a global conversation about this issue. And I think the reaction to that has been to point out that there is a risk in fragmentation, both on an infrastructure level, and a risk in a governance level if we start to sort of piece, you know, try to pull the internet apart in that way. And I mean not physically but -- well, actually, you can do it physically as well, but sort of this idea that if we, you know, if we have different approaches to different things and different values, that means we should just divide it up and everybody governs it their own way.

It's a global network. It's built technically to route information in the fastest way possible. The security protocols, everything is built on this idea of it being a global network, or the vast majority of it. So it's important to keep that in mind.

And I think there are a lot of people that are going to sort of in the next couple years, from government, from the private sector, and from civil society, work very hard to make sure that fragmentation is not what happens.

But I think the other piece of that is that there's going to be sort of a course correction in the governance questions about what are actual internet governance questions, what are national questions that are dealt with within the country, what are not internet issues at all. Right?

Because there's a risk that as the internet becomes a part of everything that we do, from education, to health care, to -- that everything becomes an internet governance issue. And so I think we're starting to see that and that is -- there's a risk in that.

And so I think considering sort of in the next five to ten years is this process of what -- of people determining what are internet issues, what are the global ones that we need to ensure that we think about on this wider scale, and how do we fight against a risk of fragmentation that could undermine sort of the value of the network or make it harder for people to connect.

But without ignoring the fact that there are different values and that it's a network now that covers the entire world and, you know, populations with much different perspectives than just sort of the academics and researchers who started the network 20, 25 -- or more than 25 years ago but who were sort of the primary users 20 to 25 years ago.

MR. TRINKUNAS: Thank you.

Carolina?

MS. ROSSINI: Sure. So I would like -- I can address your question and your question of course.

I think Danielle went to the point that I also wanted to make, which is the topic of fragmentation.

I'm not as afraid of it as a lot of people are, just because economic facts show that that might not happen. And even with the data centers in Brazil, people knew that would not mean that Brazil would be completed fragmented.

I am concerned, though, when you see fragmentation -- well, we have to see fragmentation in all the layers of internet, even like the behavior layers (inaudible) considers, right, where you have even privacy issues there.

And while I don't think -- while I think fragmentation is very hard to happen (inaudible) layer at the end of the day even more because companies are there. More than 70 percent of that infrastructure is private. They need that peering traffic, et cetera, et cetera.

I am concerned that they do happen at the content layer, for example, through both privacy regulations and intellectual property enforcement, like DMC like, or even censorship issues, that I can mention later.

But at the same time, there are other concerted efforts that are actually binding that are different from the traditional conversations of internet governance which are the trade agreements; right? Trade agreements are binding and they make international law that transforms into federal law when they are signed into and ratified by Congress.

U.S. nowadays is involved in many very, very important trade negotiations, like in the TPP, the TESA, the TTIP, and a lot of other acronyms. China's

trying to do something to counterbalance TPP in the Asian region and all the trade

agreements there, and at least for the past 10 years, and I have a publication coming out

on it later this year, have internet-related norms. Not just on the content side, like DMC-

like norms, but also DNS regulation, critical resources regulation.

And when that comes and knocks on the countries, that does fight for

free flow of information in all levels. Free flow of information, I have some critics towards

to it when it considers privacy in Europe, but it is important to keep the internet from

fragmenting and to keep freedom of expression as a core value there.

I think a lot of laws that are coming that people see them has laws that

point to fragmentation are actually more laws that cause jurisdiction conflicts. So, for

example, Brazil decided not to adopt data localization, but it said that ISPs needed to

protect and guard the logs and store the logs for policy and judiciary enforcement later of

any company that offers service to Brazilians.

So you don't even need to be placed in Brazil, you don't need to have an

office in Brazil, but even if your marketing is towards Brazilian, it's like Alibaba, right,

Chinese, their jurisdiction is of Marco Civil. So you're going to have that pressure and it

is very hard. Like Spain and France now have the right to be forgotten, they wouldn't

trust (inaudible) jurisdiction regarding dot com, like Google.com. So they would

(inaudible), not just from .fr or .s, but also dot com; right?

So the jurisdiction is what concerns me a lot. I think it's something to

observe how countries will assert jurisdiction beyond their borders. It has always been a

problem in internet and it's being more. But I'm going to leave it like that.

On your question, you're right. And that's not just Brazil, that's a lot of

countries, including US; DMC was abused many times; right? The good news in Brazil is

that we do now have the Marco Civil Law that clarifies how content can be taken down

regarding the defamation, and honor, and other issues.

Unfortunately, the copyright issue was taken out of Marco Civil, so we are still waiting for the reform of the copyright law, which is like happening since 2003. And I'm not sure how it's going to proceeded.

So at least we do have clarity for part of it, how it happens. We do have Supreme Court decision on ISP liability for copyrights, so that's also finally (inaudible) very conflicting (inaudible) from around the country, all very similar to DMC.

And we do have a privacy law coming for the first time in Brazil, because Marco Civil does not define what personal data is. So that was left for the privacy law, which is now finishing public consultations that was actually just closed in June.

So we do have some interesting things. But I think that law always comes later; right? You do have a lot of facts happening. We do have journalists being killed in Brazil, you do have bloggers. I write the Freedom House Report for Brazil since the first version, so I'm well aware of those.

So I think we needed to push for other initiatives, not just law; right? We need to educate our judiciary. These issues were not taught in law schools until the mid-2000s. And you also need collaboration with civil society, and you have Article 19, for example, in Brazil training journalists on how to protect themselves.

One challenging issue in Brazil is that anonymous communication is not permitted by our constitution. So let's see. We have not started discussing encryption, so let's see how that's going to play now that journalists are actually learning how to use encryption.

MR. TRINKUNAS: Paul?

MR. TWOMEY: Harold, I need to make a couple of observations. First of all, when I was an Australian and I hear you talk about the South and Far East, I hear

West and Near North.

Veni, I can't talk more on the Brazilian thing than others here really on WSIS+10.

The fragmentation question, I'd just make this observation. At some level of the internet in a very crude sense there's three layers. It is the layer that transmits, it's the protocol layer that makes 350,000 networks operate as one network. And then there's the application layer.

The bottom line has been basically run by telecoms regulations now for the last 30 years. So it is essentially nationally and regionally rule based.

The middle bit, which is where the ICANN thing and (inaudible) registries, et cetera fit in, that's the goose that lays the golden egg. It is the global comments. It is the thing that makes the internet the internet, not a whole series of national internets or even sort of company internets.

That's why the fight about this is so important. And there are pressures on that. There's some recent changes from the MII -- well, recent enforcement of MII rules in China which even beginning to show some pressures around how that works. But that's still a thing which -- it's part of the reason why ICANN was so important in the discussion, because it was always about that.

But the above level, the application layer, is where the content is. And most governments worry about content. The United States government says it's all First Amendment until they mention the word "internet gambling," and then for the last 15 years you get a different response altogether.

All around the world the content issue is at the application layer. For your -- this potential business concern, providing that middle bit stays stable, and I think it will, the real question is how do you develop content that meets the customs and

expectations around content for the places you were targeting. So I think it's relatively stable going forward if you're trying to plan a business.

But there are pressures, particularly coming out of parts of China. I expect we'll also see it out of Russia, which will tend to push back on this idea of sovereign control, or a sovereign network.

MR. TRINKUNAS: Okay. Thank you. We're almost out of time. I had one more person on my list. Maybe we could take one last quick question.

Go ahead. I think we had somebody here at the front.

Okay. Just if we could keep the questions very brief. Take the one in the back or in the front.

MR. CHAN: Thank you. Charles Chan from ITI, the IT Industrial Council. So my question is sort of follow Paul's answers about what's your approach and what's your policy recommendation for those emerging markets or developing countries, like China and Russia, who used to be very government centric in governance but also developing very fast in internet development?

So what's your approach to advocate them for the best (inaudible) in internet governance?

MR. TRINKUNAS: That's actually an excellent question. Let's start with Paul.

MR. TWOMEY: The Chinese government's just released their Internet Plus policy the 1st of July. It's actually the third time they've released it in some respects, but -- and it reflects the state council's view that the internet is a major driver of economic change and reform in China.

So I think in all of these countries the role the internet presently has in terms of driving down transaction costs across the economy and improving societal

interaction is strong and will be recognized as such.

The question becomes how much do you want to be part of an international and how much do you want to be domestic? That comes partly down to your model of political control.

But I would be strongly -- what I would be strongly emphasizing in all those countries is be careful about things you might do that cut off your nose to spite your face. So there are some instances I want to talk now, we could talk privately later, I know of in some countries where people are moving to implement things that they think they're being told by their political control elements they're important to do, but the consequence of which is going to be they're going to cut off a whole lot of interaction within international parts of the internet. And I think that's their intent. They just haven't thought it through yet.

So that's the very hard-nosed pragmatist in me says I'm not going to persuade the Public Bureau in China or anybody else to move away from the political control systems they want. The real thing is to think about, you know, don't cut off your international interaction, and this is a single internet you should try to have it as much as you can. And be careful about the unintended consequences of messages you send down inside the system.

MR. TRINKUNAS: Anybody else? Well, I think we've just about run out of time. Thank you -- please join me in thanking our panel for a very interesting discussion. (Applause.)

And again, if you haven't grabbed a copy of the report, please do so on the way out. We look forward to your thoughts and comments. Please feel free to get in touch with us as needed. And thank you again for joining us.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when

originally transmitted was reduced to text at my direction; that said transcript is a true

record of the proceedings therein referenced; that I am neither counsel for, related to, nor

employed by any of the parties to the action in which these proceedings were taken; and,

furthermore, that I am neither a relative or employee of any attorney or counsel employed

by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016