MICHELLE DESMYTER: I would like to welcome everyone. Good morning, good afternoon and good evening to all, and welcome to the At-Large briefing webinar on GDD, operational preparation call, on Thursday 8th August 2019. On today's call we have, on the English channel, Olivier Crepin-Leblond, Daniel Chimezie, Vernatius Ezeama, Holly Raiche, Cheryl Langdon-Orr, Haroun Mahamat Cherif, Jonathan Zuck, Dave Kissoondoyal, Herb Waye, Linna Hsii, Eduardo Diaz, Avri Doria, Ejikeme Egbuogu, Francis Burundi. On the Spanish channel, we have Lilian Ivette De Luque Bruges. On the French channel, we have Gabriel Bombambo Boseko, Bakary Kouyate, Minata Zong-Naba, [Dani Salamnio] and Gabdibé Gab-Hingonne. We do have apologies noted from Ricardo Holmquist and Gordon Chillcott.

From staff, we have Heidi Ullrich, Gisella Gruber, Trang Nguyen, Silvia Vivanco, Evin Erdogdu, Yesim Nazlar, and myself, Michelle DeSmyter on call management. Our interpreters today are Claudia, Veronica, Aurélie, and Camila. Before we begin, I would like to remind everyone to please state your name before speaking for transcription purposes, and also so the interpreters can identify you on the language channels. And please keep your lines muted when not speaking to avoid background noise. Our presenters today are Trang Nguyen, she's the VP of Strategic Programs, and Jonathan Zuck, co‑chair of the At-Large Consolidated Policy Working Group. I will now turn the meeting over to Olivier Crepin-Leblond, please begin.

OLIVIER CREPIN-LEBLOND: Thank you very much, Michelle, and welcome, everybody, to this call. I'm super excited because in today's call we're going to be speaking about the ICANN Global Domains Division, the readiness of ICANN Org to support a future round of new gTLDs. Jonathan Zuck will then look at the response to ICANN GDD with regards to the next round for new gTLDs for those people that haven't followed the Consolidated Policy Working Group's work in the At-Large community.

We meet every week, and there is a significant amount of time spent, at the moment, discussing the work of the Subsequent Procedures Working Group, the Working Group in the Generic Names Supporting Organization that has been tasked with looking at every single aspect of the previous round, and designing a program for the next round of new gTLDs.

So, a lot of work, a lot of different work tracks that are going on, a lot of work going on all in parallel and a lot of updates. It was felt that in order to deal specifically with the Global Domains Division, a webinar would be the best way to go, and so I'm really excited to see so many people here for this call. So, that's really the intro, and I'm not sure if Jonathan wishes to say anything in addition to what I've said so far, but I know that he's got the floor a bit later on, so maybe we can wait until then and give the floor right now to Trang Nguyen from Strategic Programs. She's the Vice President for Strategic Programs, and I believe that there is a presentation that will magically appear on your screen. It already is there, fantastic. Over to you, Trang.

TRANG NGUYEN: Thank you very much, Olivier. Can you hear me okay?

OLIVIER CREPIN-LEBLOND: Fantastically well.

TRANG NGUYEN: Terrific, thank you very much, and thank you for inviting us back to speak with you again today. We're here today to share with you ICANN Org's operational assumptions that were developed to guide our planning and preparatory work towards future rounds of new gTLDs. We will be going over the same presentation that we gave to the ALAC at the recent ICANN65 meeting. From the ICANN Org side, as Olivier mentioned, my name is Trang Nguyen, I'm the Vice President for Strategic Programs for ICANN's Global Domains Division.

Also from ICANN Org today are several people who are very much involved in this Subsequent Procedures planning and preparatory work. We have Ashwin Rangan, ICANN's CIO, and then we also have Xavier Calvez, ICANN's CFO. We have Chris Gift, part of Ashwin's team, and we have Christine Willett, GDD operations. Also with me is Karen Lentz, director of Operations and Policy Research within the Global Domains Division, and [Naniq Meranian], as well as Anna ...

ANNA GUSEVA: You don't need to pronounce it.

TRANG NGUYEN: Sorry, Anna Guseva, who are project managers. Before we dive into the assumptions, I'd like to take a minute just to provide some context for those who may not have the background on the new gTLD program. The new gTLD program is quite a large undertaking. It originates from GNSO policy recommendations that were adopted by the ICANN Board in 2008, and the 2012 Applicant Guidebook which represents the implementation of those adopted policy recommendations. It's approximately 300 pages long. My apologies, there's a lot of noise on the line, so if someone who's got the open line could please mute, that would be much appreciated.

As I was mentioning, the 2012 Applicant Guidebook is a document that is roughly 300 pages long. It contains rules for applying and operating a new gTLD. What this translates to is a lot of systems and processes and people that need to be put in place to support the program. For the 2012 round, it took several years to develop the Applicant Guidebook, those rules, and it also took several years for ICANN Org to operationally prepare itself and ready itself for accepting and processing applications.

So, we know that there is a lot of work that needs to be done in order to prepare for future rounds of new gTLDs. Really, because of this, since January of this year, at the ICANN Board's request, ICANN Org has been briefing the board regarding what's necessary to support future rounds of new gTLD, and that includes providing the board with the status of reviews related to the new gTLD program, status of the Subsequent Procedures PDP, the implementation of the 2012 round as well as lessons learned, as well as ICANN Org's initial thinking on planning work for future rounds of new gTLDs.

In our initial thinking, we recognize that there are some unknowns that we'll need to deal with as we prepare for future rounds of new gTLDs. One such unknown is the number of applications, for example, so we recognize that there's a need to document and develop some assumptions to guide our planning and preparatory work. What we share with you is basically our documentation of some operational assumptions.

These assumptions are informed by three things. One, the 2008 GNSO policy recommendations, two, the 2012 Applicant Guidebook, and three, the current discussion of the Subsequent Procedures PDP. Now, these are working assumptions. We recognize that the Subsequent Procedures PDP has not completed its work, and therefore based on the outcome of that PDP, as well as other comments from the community, some of these assumptions may change.

We shared these assumptions with the ICANN Board, and in July we shared these assumptions with the community. In fact, at ICANN65 we had the opportunity to, as I mentioned before, have a discussion with ALAC on these assumptions, and in addition to that, also with the Subsequent Procedures PDP Working Group, as well as the GAC. So today I'll be walking you through these assumptions, and then we'll pause and take any questions at the end.

If I can have the next slide, please? Terrific, thank you very much. So, we have a total of 33 assumptions that are spread out across eight categories. Next slide, please. The first set of assumptions have to do with a timeline to the next round of new gTLDs. In particular, our assumption is that all policy recommendation readiness activities and operational processes will be completed prior to the opening of the next application window, and that completion of the Subsequent Procedures PDP is a dependency for the opening of the next application window. Essentially, there are two things here. First, we recognize that there were many materials that were developed after opening the application window last time, and certainly, we've heard loud and clear feedback from the community on this.

So, the assumption going into the next round is that all of the materials needed to support the program would be developed prior to the opening of the next application window. Additionally, this assumption also means that we assume that there will be no additional application windows prior to the board's consideration of the Subsequent Procedures PDP policy recommendations.

Next slide, please. The second set of assumptions have to do with application volume and processing time. On volume, the assumptions here are mainly that the application volume in the next round will be roughly the same as it was in the 2012 round, which was approximately 2000, that the volume will decrease in future rounds, and that there will be no changes to the 1000 per year maximum delegation rate, which is what is currently in the 2012 guidebook. On processing time, the assumption is that there will be one application window per year that would last one to three months, and that prioritization will again be used to sequence applications for processing.

Next slide, please. The third set of assumptions have to do with policy implementations. Here, specifically, that there will be changes, and that new policy and implementation guidance from the Subsequent Procedures PDP Working Group will come our way, and essentially it's not simply a re-do of the 2012 round. We expect that there will be changes that a PDP Working Group would want us to implement, and there may also be new things that will come our way.

Because there will be changes and potentially new policy, there will be an implementation phase where policy implementation materials will be developed with appropriate community input, and the policy implementation will result in comprehensive and detailed information. They're anticipated to go beyond the level of detail that was in the 2012 applicant guidebook.

This goes to the point that I had made on the first set of assumptions, that we heard the community loud and clear with regards to the additional materials that were developed after the opening of the application window last time. So, we want to ensure that all of the relevant program materials are developed prior to the opening of the next application window.

Next slide, please. The fourth set of assumptions have to do with readiness activities, specifically that in operational infrastructure that means systems, people and processes will be built to support the long-term introduction of new gTLDs. Essentially, we're not just building for another round, we're building for future rounds of new gTLDs. Additionally, there's an assumption that this operational infrastructure will be completed prior to the opening of the application window.

Next slide, please. The fifth set of assumptions has to do with systems and tools. There are several assumptions in this category, and they will span two slides. The first slide, the assumptions here speak to technology investment, with investments which are planned to be limited only to their capabilities needed to ensure the security, stability, and consistency of application submissions, processing and communications.

The systems and tools will be designed based on a clear understanding of program processes and requirements; in other words, systems and tools won't be designed and built in a vacuum, will be built with a full understanding of what the processes and requirements would be. Testing will be completed prior to the opening of the next application window, and systems and tools development will be completed prior to the opening of the next application window.

Next slide, please. This is a continuation of assumptions around systems and tools. The additional assumptions here are that development of systems and tools will be focused on solving for data-intensive activities and critical program functions, that existing materials, systems, and tools will be leveraged as much as possible. All new systems and tools will be developed on one of the three principle ICANN Org platforms, Oracle, Alfresco or Salesforce. And that developing internal knowledge and expertise will be a priority for us, and as little as possible will be outsourced.

Next slide, please. The sixth set of assumptions have to do with operational processes, mainly that well defined operational processes are critical to smooth program operations and satisfactory applicant experiences, and that the design and documentation of processes, as well as training for staff on these processes, will be completed prior to the opening of the next application window.

Next slide, please. The seventh set of assumptions have to do with people. The assumptions around this category are that [proactive] resource planning is critical and will be completed in order to adequately staff the program team to meet program deadlines. ICANN Org staff will be used to perform program management, program operations, and program administration functions. ICANN Org will outsource critical application functions such as application evaluation and objection processing.

ICANN Org currently lacks sufficient staff to implement the new policy and prepare to operate the next round. This is merely a reflection of the fact that ICANN Org has not budgeted for this preparatory work in its FY20 budget. Additional staff will be hired based on needed skills and experience, and ICANN Org will augment staff with temporary resources as needed to address peak workload for activities which are not expected to be sustained for at least 24 months.

Next slide, please. And this is the last set of assumptions, and they have to do with cost. The assumptions here are that the program will continue to operate on a cost-recovery basis, funded from application fees to be collected and that the comprehensive cost-planning for program readiness and operations is critical for accurate reporting and management of cost, and that development costs for the preparatory work will be tracked. So, Olivier, that concludes my presentation. I'm happy to pause here for questions, or if you'd like us to wait until after Jonathan presents, I'm happy to do that as well.

OLIVIER CREPIN-LEBLOND: Thank you very much, Trang. I think that in the interest of time since we only have one hour, let's go directly to Jonathan's presentation. I know that Jonathan might even introduce some questions in his presentation as well, and we can then after that open the floor and have an overall discussion on the points that you've made, and of course on the questions raised and points raised by Jonathan. So, over to you, Jonathan Zuck. And Jonathan, you might be muted at the moment. You probably are.

MICHELLE DESMYTER: One moment, Olivier, we're trying to locate his line.

OLIVIER CREPIN-LEBLOND: [Has Jonathan dropped?] I can't see him now. He was on earlier. Right, in the absence of Jonathan, whilst we're trying to find him, let's open the floor for questions for the time being. If you want to ask a question, of course put your hand up or type your question in the chat, and we'll read it for the record.

MICHELLE DESMYTER: Olivier, while we're waiting for Jonathan, just as a friendly reminder. When speaking throughout the meeting, if we could speak at a slower pace for our interpreters today, thank you so much.

OLIVIER CREPIN-LEBLOND: Thank you, very good point indeed. So, I'm not seeing any questions at the moment. There is a hand up from Sebastien Bachollet.

SEBASTIEN BACHOLLET: Thank you very much, Olivier. Yes, I have a question. I have the impression that some of the material or decision or proposal made in this document are still under discussion within the community in different Working Groups or places. How does it fit with discussion going on, where it's written that it will be like that, or like that? And my second question, it's an interest about the 2.2, how ICANN Org staff evaluate the 2000 applications if we are going to the same pace, and at the last round we will have 8000 applications? Thank you.

OLIVIER CREPIN-LEBLOND: Thank you, Sebastien. Trang, would you like to respond, or anybody on your team?

TRANG NGUYEN: Thank you, Olivier. Yes, I'll address that, thank you, Sebastien. As I mentioned earlier in my introductory remarks, these are working assumptions for our planning purposes. We fully recognize that the work of the Subsequent Procedures PDP is not yet completed. We also fully recognize that there are other activities going on within the community that impact various parts of what would be considered activities underneath the new gTLD program. These are working assumptions for our planning activities.

We need to start somewhere before we recognize that they may be adjusted, modified, pending the outcome of the Subsequent Procedures PDP discussion, as well as pending other community discussions.

OLIVIER CREPIN-LEBLOND: Okay, thank you.

SEBASTIEN BACHOLLET: I had one point, Olivier.

OLIVIER CREPIN-LEBLOND: Yes, Sebastien, you have the floor.

SEBASTIEN BACHOLLET: Yes, thank you very much, and I hear Tijani, you're willing to take the floor. I guess he's not on the Zoom room, that's why he's asking for that. Thank you. Maybe it will be useful to, as your document, or your PDF document, can fly everywhere, that you add this question of language at the beginning of the slides, because if not, if one day somebody opens this and says, "oh, they are saying that, that, that," with no context, they will be wrong, but nothing will prevent them to be wrong. I ask you that for communication purposes that you need to add this guide or reminder at the beginning of your presentation on the PDF document. Thank you.

OLIVIER CREPIN-LEBLOND: Thanks for this, Sebastien. Yes, Trang, go ahead.

TRANG NGUYEN: Yes, thank you, just one quick comment. Thank you, Sebastien, for your suggestion. We'll take that on board. Just as a quick note, when we initially circulated this set of assumptions, it was in the form of a paper, and in that paper, we did clearly identify that these were pending assumptions, working assumptions to be documented, shared with the board, and also shared with the community. But we did not include that text in the slide deck. We certainly can do that as well, thanks for the suggestion.

OLIVIER CREPIN-LEBLOND: Thanks for this, Trang, and I'm going to close the queue here in the interests of time, but we've got Tijani in the queue and Alan Greenberg. So, Tijani Ben Jamaa, please, you have the floor.

TIJANI BEN JAMAA: Thank you very much, Olivier. Thank you for this presentation, even if I didn't have the chance to follow it, because I don't have Zoom here. But I have a question. For the 2012 round, the application fee was calculated according to the principle of cost recovery, and this time I think it will be the same. The work you are doing now is hours, is money. The assumptions you are doing now is money, is cost, added to the cost of the development of the program, and it will be added to the application fees because we always need to recover the cost.

Do you think that it is necessary to do this work now? Because you are not sure whether there will be an upcoming round soon or not. We still don't have all the outputs we need to decide if we have to open a new round or not. So, I think that we are augmenting the application fee by this kind of work. I think it is not necessary for now. Thank you.

OLIVIER CREPIN-LEBLOND: Thank you, Tijani, for this comment. Let's go to Alan Greenberg, and then I'll let Trang answer, and then we'll go to Jonathan Zuck. Alan Greenberg.

ALAN GREENBERG: Sorry, I was muted on Zoom again. Two short questions. One is your estimate of 2000 applications in this round, given how imprecisely we estimated last time, and how little we really understand about what the demand will be, how sensitive is your work to that number? In other words, if you had picked the number of 3000 or 500, would your work be really measurably different or not? So, other than the number of staff you're going to need to actually do the work, are you going to build different systems based on how accurately we estimate that number?

And the second question is, your whole discussion [is on the cost] associated with implementing the application process. To what extent are you, or somebody in ICANN, also looking at the impact on operational costs once these new TLDs are delegated, and how that will affect the operational ICANN budgets? Thank you.

OLIVIER CREPIN-LEBLOND: Thank you, Alan. Trang?

TRANG NGUYEN: Thank you, Olivier. I'm actually going to turn it over to Xavier to address the cost-related questions, and the Christine will address the question about the application volumes. Xavier?

XAVIER CALVEZ: Thank you, and thank you Tijani and Alan for their questions. To address Tijani's question, point and comment first, we intend to track what we will call preparation costs of a round when we will have started preparing that round, and we are not yet in that phase.

At this point, we're supporting the board, and the questions from the board, around the future planning and preparation of the next round. We're not yet in a mode of preparation. We are analyzing, we're evaluating. We have formulated assumptions as support for the board's consideration of the next round that has been adopted by the board as a future “to-do” for the organization.

The board has adopted that the next round would happen and will happen, but it has not determined yet when it would happen. We are simply supporting, at this stage, the board's review and analysis of what assumptions are required to do the next round, and to start planning for the next round, which we have not yet done. The people that are on the phone here are contributing their time in their current functions and roles to help with this evaluation and work to support the board, but we have not moved in the mode of preparation of the round.

When we will, we will kick off and start the tracking of the preparatory costs, which to the principle of cost-recovery we do intend to incorporate in the definition of the fee that will allow for the recovery of those costs, as I think you were pointing out, Tijani.

Regarding the question from Alan about how do we take into account, or anticipate, the operational implications of having more TLDs to manage from an ICANN Org standpoint, this is not yet something that we have done, and my perspective at this point would be that we would not try to do that until we have a much better idea of how many TLDs we would have applications for, because it would be difficult and very speculative, and probably potentially a waste of time to try to understand the implications on operations for a set of assumptions on volumes that could turn out to be fairly different. [One second.]

Once we have the number of applications that we think we will receive, and we know therefore how many applications, at least in the first window we would have, then we could start planning on the scalability and scaling of the ICANN Organization to operate on the ongoing resulting number of TLDs. So, we're simply saying this is not yet the time to do that, though this is a very important question, Alan, and we absolutely need to evaluate it as soon as it makes sense to do so. Christine.

CHRISTINE WILLETT: Thank you. I'll try to address Alan's question regarding the operational sensitivities that were considered for our planning assumption of 2000 applications. First, I'll state that the 2000 application volume is a planning assumption, not an estimation of actual anticipated applications. We're not using it for costing purposes, we're not using it for forecasting funding in any way. We are really utilizing that number to determine what capacity the ICANN Organization needs to be prepared to handle.

To use a simple metaphor, are we building a factory that can handle 500 applications a year, or 5000, or 50,000? If you were building a factory to produce cars, you would build a very different factory if you were only producing 500 per year versus 50,000. So, that is where we came up with our planning assumption of 2000.

And specifically what we had determined is that most of our operational capacity barriers and plateaus occurred at less than the 500 application breakpoint, so fewer than 500 applications was a much more simplistic operating model, and more than 5000 application at once would likely rise up to a different operating model. We use the assumption of 2000 applications to be processed, it was approximately in the middle, it was right in the middle of that 500 to 5000 range, and it so happened to be what was approximately the volume we received in the 2012 round.

But we are looking for input from the rest of the community as to greater intelligence as to the number of applications you think we are really likely to receive, which would help us understand the operational capacity we should plan for. Thank you.

OLIVIER CREPIN-LEBLOND: Thank you very much, Christine. Thank you for these very interesting explanations. Alan Greenberg has posted a response, a follow up on this in the chat. But since Jonathan Zuck has come back to the call, I think it's about time that we give almighty Jonathan back his thunder, so as for him to take us through the points that he has on the slides. So, over to you, Jonathan Zuck.

JONATHAN ZUCK: Thanks, can everyone hear me?

OLIVIER CREPIN-LEBLOND: Very well, yes. Welcome.

JONATHAN ZUCK: Alright, great. My Internet cut out just as Trang’s presentation ended. So, what I was asked to do, and this is why I was teasing Alan a little bit, was kind of summarize for you the conversation that had been going on inside the At-Large around this document, and its implications. And so some of the questions have preempted some of the conversation, so if some of it is repetitive, I apologize in advance. I'll go ahead. There's just the one slide, so whoever's got control of the slides, if you could go to the slide, that'd be great.

I think overall we understand the need for this exercise, and so we don't want you to think of it as us with our hair on fire, going “Why are you jumping ahead to a new round when there's so much left undecided?” We understand the need to perform some level of operational readiness, and it's really a question of what's on the critical path to that, and do you have enough information at this point to do that?

We're overall really supportive of the exercise itself and understand you need to do that. I think from an optics standpoint, to build off of Alan's point a little bit, there's this notion that what you're trying to be really ready for is to give the applicants a good experience, and so it's almost like they're the customers and you're the vendor. And to the extent to which this is GDD we're talking about, that may in fact be true.

But from an overall organization optic, the idea that making the applicants have a nice experience is of greater importance or of sooner importance than making sure that the organization has the capability to handle delegations, feels a little bit off to us. I mean, a lot of the issues that cropped up after the process began, once the applications started coming in there was not enough time to get compliance ramped up, to really understand what was necessary to deal with this volume of TLDs, and a change from a kind of reactive compliance enforcement to a proactive one, because we saw so much DNS abuse, etc., in these new gTLDs.

I think it would really behoove the organization as a whole ... and again, this may not be aimed at GDD, to be outwardly exploring the operational readiness of the organization itself to handle this process of delegation, in the same timeframe that you're trying to make it a more comfortable and easy process for applicants, because you've got a lot of customers, in a sense, to your activities as an organization as a whole. So, that's kind of an overall issue, because in At-Large we're not entirely convinced that a new round is necessary, right?

But if one is going to happen, you want to make sure ... Somebody have their line open? We want to make sure that we're really minimizing the downside risks associated with the new round because the upside benefit is a little bit immeasurable and may in fact be infinitesimal, with the exception of some new revenue coming into the organization. I think treating those things as equal, and treating them as equal priorities, is probably of value.

Just to get to some of the specific issues, I think what we're concerned about is that some of the “assumptions” you're making in your assumptions document are in fact some of the very things that have not yet been resolved by the Subsequent Procedures Working Group in terms of the nature of a new round, or what it would look like, etc., it has not been established if there's going to be priority given to brand rounds, or if, as ALAC would prefer, some sort of priority given to IDNs, or community applicants, etc., and that may change your strategy.

I think it's important to look at the assumptions you're making in the context of what has in fact been decided by the Subsequent Procedures Working Group, and one of the things was about the volume that Alan brought up. And I appreciate your answer to that question, I'm just recalling back to the session that you held in Marrakech, and an answer to a similar question was, well, there's no real science behind it, we kind of pulled this number out of a hat.

But then when you started to talk about systems capacity, you said that it is a number that changed; it was 3000, not 5000, and that feels very close to 2000 as a threshold point for a different type of system. And so, I think it seems to many of us in the At-Large that putting more thought into anticipating what this volume might be before money is borrowed from the applications fund reserve or the litigation fund reserve, and spent on these systems, that you have at least a better attempt at figuring out what that application volume would be through some kind of market research, or something like that, because there's been estimates of everything from 500 to 25,0000 applications, and that feels like a broad range given that you had previously said the threshold for a different type of system was 3000 and over. So, that's part of why we brought that up.

The other issue, and again this may be largely rhetorical, and for that, I apologize, but rhetoric matters. You keep reassuring the community that the work of the Subsequent Procedures Working Group is a critical path to a new round and that the work that you're doing isn't driving us toward a new round.

But I think in that same breath it's probably worth mentioning that the work of the Subsequent Procedures Working Group is critical, but not sufficient. In other words, there's many other things that are a critical path to a new round that have to do with recommendations coming from the CCT, review recommendations coming out of the Rights Protection Review, recommendations coming out of SSAC around name collisions, etc. These are all things that are prerequisites to a new round, and it's probably worth talking about this basket of prerequisites, rather than simply saying, "well, nothing will happen until the Subsequent Procedures Working Group is done with its work."

Because even the folks in the Subsequent Procedures Working Group will tell you that they're going to finish their work before they've even answered all of the questions that were posed to them. So, there's considerable work that needs to happen beyond the work of the Subsequent Procedures Working Group that's a critical path to a new round. And again, that's an issue that I'm sure you know, but it might be worth talking about a little bit differently.

Another issue that came up that Christopher Wilkinson highlighted was this discussion of outsourcing, and that it seems a little bit vague. We'll do what we can with our internal people, or we'll hire other people, etc., but as an assumption, some of the inconsistency of outsourcing in the prior round is where some of the big problems were, with string contention and community priority evaluations, etc., and so the nature of what that outsourcing, or if not outsourcing, the staffing up associated with those things are going to be ... Might want a little bit more rigor associated with it, since it was such a fundamental part of the last round, and it feels like a vague, "we'll try to do what we can inside, otherwise we'll outsource, etc." Setting some real criteria for what some of that outsourcing might look like, I think would be a good part of this document as well.

And again, I'm saying 'I', but really what I'm trying to do is reflect the conversations that have been happening inside of the At-Large. And then there's also this issue around other costs that might occur associated with applicant support, etc., and those are all ongoing conversations as well, and it seems like they ought to find their way into this document because they need to be part of your operational planning in terms of mentorship, applicant support, etc., that might be associated with a new round as well.

Those were some of the big issues that have come up in the conversations inside the At-Large. I know I threw a lot at you at once, but I thought we could get them all out there for discussion and give the microphone back to the folks with the GDD. Thanks for the opportunity.

OLIVIER CREPIN-LEBLOND: Thanks, Jonathan. Let's go over to GDD, then. Quite a number of points raised, and I guess you can answer any of those, or comment on any of those in any order. Over to you, Trang, with your team. And you might be muted now because we're not hearing you. This is just as Jonathan had said, the points that he had made are points that were discussed in the Consolidated Policy Working Group, so that's part of the big discussion that we're having as a group every week. And Michelle, you were about to say something? Or someone was about to speak. So, was it Trang?

TRANG NGUYEN: Yes, it was me, Olivier. Thank you. Sorry about that.

OLIVIER CREPIN-LEBLOND: It's okay. Thank you, Trang. Sorry, I didn't recognize your voice. We're quite some distance away. Over to you, Trang.

TRANG NGUYEN: Thank you, Olivier. Yes, thank you for the clarification. We were under the impression that Jonathan was sharing the discussions that were happening within the policy group, within the ALAC, with the rest of the ALAC on this call. We weren't sure that the presentation was directed at GDD. There were a lot of points that were brought up by Jonathan, but we think specifically here in the questions ... Were there any specific questions that you'd like us to address?

OLIVIER CREPIN-LEBLOND: Jonathan?

JONATHAN ZUCK: Sorry, I'm now on my phone separately in addition to the Zoom room. These are issues that have come up, so some of them, I guess, are suggestions or recommendations to you, but I guess I am interested, or we are interested, in some clarity on the question that Alan raised about the real systems implications of different levels of application volumes, since the numbers that you purported in Marrakech were closer to your expected number, at 3000 plus, for example, in which you said there would be substantial difference in the type of system that you'd need to build, or “factory” is the term that came up both today and in ... I guess that's probably a question that I'll let you answer, and I'll think about how to turn some of these other things into questions if that's helpful.

OLIVIER CREPIN-LEBLOND: Hi, it's Olivier speaking.

ASWIN RANGAN: This is Ashwin.

OLIVIER CREPIN-LEBLOND: Go ahead, Ashwin.

ASHWIN RANGAN: Thank you. Though the specific question that I heard there, Jonathan, I think it pertained to systems and system design, etc. We're not starting any systems or system design. I think we have had an opportunity in Marrakech to answer that very question in a different forum. If the volume that is anticipated is ... I'm going to use some extremes just to illustrate the point. Let's say it's ten applications. We don't believe that we need to invest in building a suit of systems, we will handle it differently.

If, on the contrary, it's 20,000, then we will need to build systems which are very robust and highly scalable. I think at this early stage we're being very open to how we approach this, but while planning for it we're thinking about what the implications are, and we're not making any selection decisions or commitments to a specific design, even at this earliest stage. Thank you.

OLIVIER CREPIN-LEBLOND: Thank you, Ashwin.

JONATHAN ZUCK: Thank you, it's great. It was in fact you that made the 3000 statement, so I appreciate the difference between 10 and 25,000. But the threshold you said in Marrakech was 3000, and so that's why it's going to be important when you're making a determination about what kind of system in which to invest, which is going to happen quite a bit before an actual round occurs. And so, do you have intentions to do some kind of market research associated with that, a survey, anything that will give you the guidance you would need to build the system that you think would be required?

TRANG NGUYEN: Thank you, Jonathan.

OLIVIER CREPIN-LEBLOND: Yes, we're in your hands, Trang. If anybody else on your team wishes to comment on this, that's absolutely fine.

TRANG NGUYEN: Thank you. Yes, so currently we don't have any plans to do any type of market research at all. I recall, and you may as well, and some others who were around for the first round of new gTLDs, there were thoughts with regards to doing some kind of an RFI process of some sort to gather input as to who plans on applying for a new gTLD. I believe there were some issues related to carrying out the execution of that, as well. But the short answer to your question is no, currently, there are no plans to perform any kind of market research.

OLIVIER CREPIN-LEBLOND: Okay, thanks for that, Trang. Are there any other points that we wish to respond to or comment on about the discussions that we've had? I do note that there was a comment in the chat from Alan Greenberg, after Xavier responded to him, that we could pick up. I know that Alan is on the call. Alan, would you be able to expand what your point is on this, and what could be considered?

ALAN GREENBERG: Can you hear me now?

OLIVIER CREPIN-LEBLOND: Yes, very well. Go ahead.

ALAN GREENBERG: Okay. I don't remember exactly what the comment was, and Zoom had restarted itself, so the old chat disappeared. I think the comment was basically that the presumption right now is that this will be another cost recovery round. My question about operational costs, once delegated, centers around the fact that in the last round the revenue associated with new gTLDs was far, far lower than expected, and than planned.

And, should that happen again, we may find that the new gTLD becomes the cost center at ICANN. In other words, the more we delegate, the more operational costs we have without corresponding revenue. Now, ICANN can always raise its prices to registrars and registries, but there's been a strong reluctance to do that.

The question is, what happens if indeed we end up with a major cost center that is unfunded? And at that point, is the decision to make this a cost-recovery round purely in the application costs a sound one or not? That has to be done before the whole thing is launched. Thank you.

OLIVIER CREPIN-LEBLOND: Over to your team, Trang.

XAVIER CALVEZ: Hi, Olivier. If I may give a shot at answering Alan?

OLIVIER CREPIN-LEBLOND: You absolutely have the floor, Xavier, go ahead.

XAVIER CALVEZ: Thank you. Thank you, Alan, and the point I think you're raising is very important. I just want to make a clarification first. The cost-recovery principle applies to the program, defined as the end-to-end process to process and evaluate applications, and that's the part that is meant to be cost-recovery. There's definitely complexity about that cost-recovery principle as we talk about an ongoing activity of application processing. How do we determine that the infrastructure in place to evaluate the applications that we receive every year is only cost recovery? It has its own complexity of evaluation.

I won't go into it at this point. I think the point that you were raising afterward is that once a string has been delegated after the application process is finished and the applicant has become a contracted party with ICANN on an ongoing basis, there are fees, under the current, at least, version of the registry agreement that are contributing to supporting ICANN's infrastructure to manage top-level domains, and therefore, to help ICANN offset the costs of managing those top-level domains. Those fees are both fixed and variable.

I think Alan was pointing out to the fact that there's been, at some point, less growth than anticipated of the number of domain name registrations in new top-level domains, which was true at a certain point in time, but ICANN does collect fixed fees from the existence of top-level domains that helps cover for the costs of maintaining the services supporting those domains.

And in the future that economic equation of do we collect sufficient fees in order to be able to operate on an ongoing basis the number of TLDs that would be in the root is a very relevant and valid question, and that would need to be evaluated at the time of the operations of those TLDs, and as a global question for ICANN, including the rest of its activities. It's a very relevant question, but it's a different question than the cost-recovery principle of the program itself, which has its own complexity to evaluate. Thank you.

OLIVIER CREPIN-LEBLOND: Thank you very much for that, Xavier. Next in the queue is Tijani Ben Jamaa.

TIJANI BEN JAMAA: Thank you very much, Olivier. Xavier, I am lost. The cost recovery principle was presented for the round of 2012 as the recovery of the cost of developing the program of the new gTLD from I think 2004 until 2011. Now you are speaking about the cost of operating the new gTLDs. This is different, this doesn't have anything to do with the cost-recovery principles. And for me, for the round of 2012, the cost-recovery was calculated on 500 applications. We got 2000. That means that we had recovered the costs, and much more than the cost. Means that this year, the upcoming round, we need to have a very cheap fee for the application, because we don't have a lot of preparation this time.

We are just adjusting something, a few things, we are not developing a new program because the new gTLD program was developed over seven years. This time it is only adjusted the applicant guidebook of 2012, adjusting a few things. But there is no real cost for the program this time. Thank you.

OLIVIER CREPIN-LEBLOND: Thank you, Tijani. Let me just, in the interests of time, get Alan Greenberg to also speak, and then Xavier you can respond to both Alan and Tijani's points. Alan Greenberg.

ALAN GREENBERG: My question was, I understood all of how it works, the real question ... Just hold on a sec. My real question was, the original round was made to be cost-recovery for the development of the systems and processing of the applications, presumed that there would not be a revenue issue once they were delegated. That's not clear anymore, and the question is, that may alter the decision to make it a cost-recovery program, and that was the question I was asking. It's not one we can answer right now, but it's a decision that really needs to be made before it's launched because it may alter the cost basis. Thank you. I don't need an answer, I just wanted to make it clear.

OLIVIER CREPIN-LEBLOND: Xavier Calvez, any additional points you'd like to make? And perhaps answer Tijani's comment as well.

XAVIER CALVEZ: Thank you, Olivier. I recognize that we're past the time, so there may be more specific conversations that need to occur to clarify further some points. I'll just take one. The current round that's finishing, the principle of cost-recovery applied to the processing of the applications. It didn't apply to the life of top-level domains under contract forever afterwards. So, it's only about the recovery of the costs incurred to process applications until delegation, and no further than that.

That was the assumption of the 2012 round, and that's the current operating assumption that we're also making until further clarification by the SubPro PDP would give us a different operating assumption, basically, to retain. For Tijani, as I was just saying, the cost-recovery principle applies to the program of receiving and processing and evaluating applications, including the recovery of preparation costs incurred before the application window, which are considered a part of the program, because it's the preparation of the program.

So, the cost-recovery principle applies to the preparation costs incurred prior to the window, and the evaluation and processing costs incurred until the delegation of the TLDs. That's the scope of the cost-recovery principle. That's what the fee was designed last time to recover.

That's the current assumption that we're also making, and if that principle remains, the fee will be set in accordance to recovering the costs, not necessarily as cheaply as possible, but in order to recover the costs. Thank you. And again, Olivier, I'm very happy to have separate conversations with Alan and/or Tijani down the road to further discuss that topic. Thank you.

OLIVIER CREPIN-LEBLOND: Thank you very much for this, Xavier. Indeed, we've reached the end of this hour, which has passed so fast because it is such an interesting topic. Thanks very much to Christine and to Trang and to everyone in the GDD that has come to support this webinar. And, of course, thanks to all the participants on this webinar. I hope it was helpful. We happen to be meeting in Montreal in a few months' time. I just wonder whether it would be possible, perhaps there, to have a follow-up. I'm not sure how tight the schedule is for the GDD and for all of you, but let's do a follow-up on this.

And I certainly think that there should be some more discussions in Montreal. And until then, of course, [the] Consolidated Policy Working Group members, and the At-Large community will be listening again to this webinar, and hopefully continuing the discussion until then. So, thanks, everyone, and this call has now ended. Over and out. Have a very good morning, afternoon, evening or night. Goodbye.

MICHELLE DESMYTER: Thank you so much, Olivier. Today's meeting has been adjourned. Have a great remainder of your day. Bye-bye.

**[END OF TRANSCRIPTION]**