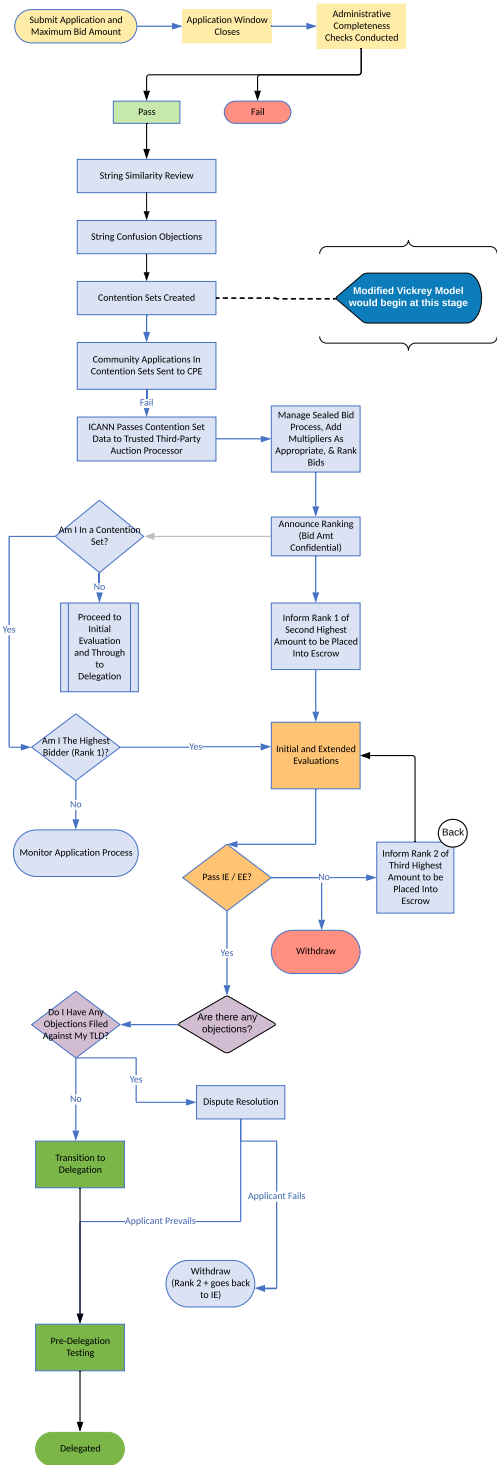# Proposed Auction Models For SubPro PDP Discussion

*(Draft - For Discussion Purposes Only)*

## Vickrey Model

- Submit Application and Maximum Bid Amount
- Application Window Closes
- Administrative Completeness Checks Conducted
  - Pass
  - Fail
- String Similarity Review
- String Confusion Objections
- Contention Sets Created — Modified Vickrey Model would begin at this stage
- Community Applications In Contention Sets Sent to CPE
  - Fail
- ICANN Passes Contention Set Data to Trusted Third-Party Auction Processor
- Manage Sealed Bid Process, Add Multipliers As Appropriate, & Rank Bids
- Announce Ranking (Bid Amt Confidential)
- Am I In a Contention Set?
  - No → Proceed to Initial Evaluation and Through to Delegation
  - Yes
- Am I The Highest Bidder (Rank 1)?
  - Yes → Initial and Extended Evaluations
  - No → Monitor Application Process
- Inform Rank 1 of Second Highest Amount to be Placed Into Escrow
- Inform Rank 2 of Third Highest Amount to be Placed Into Escrow
- (Back)
- Pass IE / EE?
  - No → Withdraw
  - Yes
- Are there any objections?
- Do I Have Any Objections Filed Against My TLD?
  - Yes → Dispute Resolution
  - No → Transition to Delegation
    - Applicant Prevails
    - Applicant Fails → Withdraw (Rank 2 + goes back to IE)
- Pre-Delegation Testing
- Delegated

## ICANN Last Resort - (Status Quo)

- Open of Application Period
- Close of Application Period
- Applications Reviewed for Completeness
- Posting of all Applications
- Objection Filing Phase (Actual proceedings can last for an extended period of time)
- Initial Evaluation
- DNS Stability Check, Reserved Names, and Geographic Names Check
- String Similarity Examiners
- Ineligible for further review (i.e., fail evaluation or too similar)
  - Yes
  - No
- Financial evaluation
- Technical & Operational evaluation and Registry Services
- Post IE Results
- Applicant Passes IE
  - No → Applicant elects to proceed to Extended Evaluation
    - Yes → Applicant enters EE → Applicant Passes EE?
      - No → Application Denied
  - Yes → Are there any objections?
    - Yes → The application can be objected to on any combination of the four criteria at the same time
      - String Confusion
      - Legal Rights
      - Limited Public Interest
      - Community Objection
      - Does applicant clear all objections?
        - No → Application Denied
        - Yes
    - No
- Is there String Contention?
  - Yes → Is there a community based applicant?
    - Yes → Comparative Evaluation or Auction?
      - CE → Comparative Evaluation → Is there a clear winner?
        - No → Auction
        - Yes
      - Auction → Auction → Successful bidder secures string
      - No
    - No → Auction
  - No → Note: a sealed bid process could be introduced in the status quo
- Contract execution
- Board Approval
  - Yes
- Pre-Delegation Check
- TLD Added to Root Zone