LEÓN SÁNCHEZ: Thank you. Good morning, good afternoon, good evening. Welcome to the Community webinar on the New gTLD Subsequent Procedures Operational Design Assessment on the 14th of December, 2022 at 13:00 hours UTC. This session will be conducted in English, interpretation for the session includes Arabic, Chinese, English, French, Russian, and Spanish. If you wish to listen and speak in a language other than English, please follow the instructions in the invitation email or slide.

To ensure transparency of participation and ICANN's Multistakeholder Model, we ask that you sign in to zoom sessions using your full name, for example, first name and last name or surname. To rename your sign-in name for this webinar, you will need to first exit the zoom session. You may be removed from the session if you do not sign in using your full name. All lines should be muted at this time to avoid background noise and will remain muted until the Q&A portion of the webinar.

There will be several Q&A sessions during the webinar and one at the end. To ask a question, please raise your hand or type it in the chat clearly indicating it as a question. If you do not include the word question at the beginning of your message, it will be considered as part of chat and will not be read out loud on the microphone. All unanswered questions will be answered at the end of the webinar.

If you take the floor, please state your name for the record and the language you will speak if speaking a language other than English. As a reminder, those who take part in the ICANN Multi Stakeholder model

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are to comply with the Expected Standards of Behavior. And with this, I'll turn it over to Karen. Please begin.

KAREN LENTZ: Thank you, León, and hello everyone. Can we go to the next slide, please? So we went through the housekeeping. Next. Thank you. So I'm Karen Lentz, Vice President of Policy Research and Stakeholder Programs at ICANN. I'd like to welcome you on behalf of the ODP team to this webinar. The Operational Design Assessment or ODA is the outcome of our work over the past many months on the Policy Recommendations concerning new gTLD subsequent procedures.

The assessment was delivered to the ICANN Board on Monday, and the board had provided us with a number of scoping questions that they would like to have answers to help their consideration of the report. So that was delivered on Monday, and then we subsequently posted the ODA on our webpage, which you see the link there. The materials from this webinar will also be published here at the link on the second bullet.

Then I will also note that the team will be available to provide additional briefings to community groups who are interested in that after the holiday break, we will be available for that. So we're excited to share a lot of the work that we've done over time, and I'm going to kick it to Chris Bare to begin. Thanks.

CHRIS BARE: Thank you, Karen. Can we go to the next slide, please? Oh, here's the-- maybe I'll just stop here for a moment if you would. My name is Chris

Bare. I'm a director in strategic initiatives under the Global Domain Strategy Function at ICANN. I'll like to thank you all for joining us. I'm going to give a quick background on the Operational Design Phase, the ODP, I know some of you are already aware of it and we've got a lot to cover, so let me just jump right in.

So early last year, the GNSO council approved the SubPro Subsequent Procedures final report which had 300 outputs, those are the affirmations and recommendations and implementation guidance that we're in there. In September of 2021, the board instructed the Org to perform an Operational Design Phase.

So the Operational Design Phase is basically an assessment of those policy recommendations and how implementable what the operational impact would be of implementing those would be, and the board provided the Org a scoping documents that included several questions that we were supposed to answer in order for the board to have the relevant information they would need to facilitate their decision, their determination on the final report.

UNKNOWN SPEAKER: We'll turn over here.

CHRIS BARE: Is that a comment to me? I'm not sure. So, if we can go to the next slide. This is a timeline of the ODP, the Operational Design Phase. Now, hopefully you've seen this timeline before, we've published it several

times. The board also gave us a timeframe in which to do the ODP, and the original timeframe was 10 months from the point of launch.

It actually took us 11 months, and if you're aware there was an extension, and it was put in there due to some additional SSAC project work that was done right in the middle that kind of took away some of the resources that we were working on the SubPro ODP with. The timeline itself shows four different community status reports, those are in green, and those have been published onto our website, those reports have come out, and they give periodic updates as to what was happening during that timeframe.

Also, during the ICANN meetings, we did several webinars also that talked about what we were working on. Also, during the timeframe, we had several meetings, monthly meetings with the GNSO council liaison where we would have status updates and we would also bring up policy questions that arose during the course of our work. We did deliver on the 12th of December, which is what the timeline here shows, and that's what Karen had mentioned earlier. So the ODA is what we came out with, and that is the main deliverable, and I think I'm going to hand it off to Samantha on our team now to talk about the structure of the ODA.

SAMANTHA DEMETRIOU: Hi, yes, Chris. Thank you. If we could go to the next slide. One more. Thank you. So when it comes to the structure of the ODA, the information included was guided by the scoping document, which Chris mentioned, from the board.

These sections of the main ODA are listed out here and include document overview, executive summary, list of figures and tables, general observations, issues, dependencies, operational considerations, which includes finance systems and tools, vendors, and third parties, resources and staffing, timeline and risks, and then overarching considerations which includes governance, communications, program foundations, registry agreement, contractual compliance, data protection and privacy, security and stability, and global public interest, followed by conclusions and next steps.

So since we had a lot of information that came out of the work that we did, we tried our best to limit the content in the main ODA, which ended up being just over 100 pages, and then expanded upon information where applicable in the appendices. So if you go to the next slide. You'll see listed here the various appendices that we have in the ODA.

You'll notice some of these relate to the main sections I listed earlier, such as timeline, systems and tools, vendors and third parties, et cetera. We also did our best to make the information as accessible as possible in a variety of different ways, which you can see via the policy analysis tables, the topic analysis appendix, and the index, all of which you can reference if you're looking to find information on a particular topic. So that's it for me. If we can go to the next slide, I'll pass it over to Nanig. Thank you.

NANIG MEHRANIAN: Hi, good morning, good afternoon, good evening. My name is Nanig Mehranian. I am the program manager for Subsequent Procedures, and

I will be going over the key assumptions for the operational design assessment. Next slide, please. So what you see here on the screen is the assumption lifecycle that we used during the Operational Design Phase to produce the ODA and the Operational Design Assessment.

Many of you may recall Project Blueberry from 2019, where we all put together a set of SubPro planning assumptions and preparations for the next round. These assumptions at the time were shared with the community, feedback was incorporated, and we populated the respective materials on the community wiki page. These preliminary assumptions were used as a baseline for the Operational Design Assessment.

Over the course of this year and the SubPro team published over 350 assumptions in several batches. The last batch, batch number seven, was published on Monday. As the work progresses, these assumptions will continue to evolve as well. Next slide, please. So here I'll be going over the overarching Operational Design Phase assumptions. Of course, the SubPro final report, as we know, contains over 300+ outputs as Chris mentioned.

These outputs are categorized as policy recommendations, implementation guidance, affirmations of the 2007 policy recommendation, and affirmation of the 2007 implementation guidance. With respect to policy recommendations in general, these were treated as must, therefore, the Operational Design Assessment processes are built around these as fixed requirements.

For implementation guidance in general, this is how something was achieved. A faster and more efficient way to do something was identified, we highlighted this, in fact, in the ODA. The final report has a strong theme of predictability. As such, one of our key assumptions here is that we will design the next round processes as predictable as possible.

This is making sure that the applicants and stakeholders have all the information required in terms of how the application process will work prior to the launch of the round. This includes what criteria is, fees, processes, et cetera. The board, of course, will need to take a decision on what it considers a prerequisite prior to the launch of the next round, Org will then determine the scheduling and timing of rounds.

Lastly, the last assumption here on the screen we have is that the program will operate on a cost recovery basis, and that is that the program will need to pay for itself, the funds will not be taken out of the ICANN's operational budget. This is similar to the previous round.

Next slide, please. Here, I'll go over some of the general operational assumptions starting with one of the key assumptions here, and that is with respect to application volume. Of course, application volume for the next round is unknown, but for purposes of the Operational Design Assessment, our working assumption is that the application volume will be around 2000. This is similar to the application volume from the last round, the 2012 round.

There were recommendations in the final report for the Applicant Support Program to provide reduced fees for qualified applicants. Our

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assumption here is that the fee reductions would be funded by the general application fees. The application fees for the next round will be higher than 2012 round due to several factors. There are new policy requirements. For example, the appeal mechanism, the registry service providers pre-eval, et cetera.

There are also incremental service improvements. These are optimizations that were identified in the ODA. Lastly, and there are also factors of inflation and market conditions as well that were considered. Lastly, I wanted to also mention that the scope of work is based on the final report outputs. Next, I will hand over to Karen. So next slide, please.

KAREN LENTZ: Thank you, Nanig. So we'll go next to some of the key takeaways from the ODA. Next slide, please. So if you read the ODA, and if you listen to many of the discussions that have occurred about these recommendations over the years, I think I've said before, we tend to focus on the issues and the problems, but I think it's important to keep in mind that we found a majority of the outputs in the final report to be implementable.

They are noted in the ODA with no issues, and this is how we think this could be achieved in the new gTLD program. Also, having gone through the final report in-depth for the duration of this ODP, as Nanig mentioned, we found a theme of predictability. Also, if you read the report, the themes come out around diversity and innovation and having the new gTLD program support those goals.

One area of the scoping questions that the board provided had to do with the global public interest, and that was based on a draft framework that the Org is currently piloting. So a team within the Org reviewed the final report in comparison in light of the global public interest framework, and concluded that the community and the multi-stakeholder or process did address a number of global public interest considerations in developing the recommendations and the rationale.

We did identify in the ODA seven issues that we thought should be brought to the attention of the Board, either because there remained some questions about how we would implement it, or we had concerns about some of the consequences or outcomes that might occur if we implement it as written. So these are discussed in the next section of the webinar.

Finally, I think one of the conclusions that's important to note is that going through the exercise of the business process design, looking at the resources that would be needed to support that, including the staff to process applications, including vendors where we would need specialized expertise, or we would need additional capacity to process the applications altogether, that represents a significant investment in terms of time to implement everything that's asked for, that's recommended in the final report, and also, in terms of human resources and financial investment.

So we'll come back to this theme throughout this presentation, but this was also a big takeaway from the report. I'm going to turn it over next to Andrew who's going to talk about dependencies.

ANDREW CHEN: Thanks, Karen. Can I have the next slide, please? So the ODP team has identified areas of work that could be considered dependencies to opening the next round. We grouped these dependencies into three general categories. The first category is for final report outputs, that may require additional action or decisions. Karen previously touched on these.

There are topics that did not achieve a consensus or we have some questions about the feasibility of implementing something. These include topics like public interest commitments, close generics, committee applications, terms and conditions, limited appeals, the applicants for programming options.

The second category is for advice [00:17:33 - inaudible] recommendations that require board action before the opening of the next round. The board's decision will ultimately determine whether the advice -- whether the recommendations will be considered a dependency. This includes actions on or decisions on SSAC advice, ALAC advice, CCT and SSR2 recommendations.

The last category is for ongoing and related community work that we are continuing to monitor. These include the name collision analysis project, the EPDP on internationalized domain names, and community work on DNS abuse. With that, we can go to the next slide, please. We can open the floor for questions.

LARS HOFFMAN: If I can just make a quick comment while people may consider asking question for the section. We have several, I think can point those at the top. We have several sections where we open for questions. We have a lot of slides to go through, so we just like to kindly ask you to limit your questions to the topic you've just heard. There's a general Q&A session at the very end as well, and obviously, we can post questions at any time into the chat as well, and we will capture those and answer them in the chat, or else during the question windows. I hope that makes sense. If there are no questions at the moment, no hands up. I don't see any. Oh, Michael, please.

MICHAEL PLAGE: Yes. Thank you. Mike Plage for the record. Karen, this is a high level question. Originally there was $9 million allocated by the ICANN Board for this endeavor, now that it is complete, do you have a final accounting on the budget for this ODA/ODP?

KAREN LENTZ: Thank you, Michael. So we have published monthly reports throughout the ODP phase that notes how much we've spent to date, and so I'm not sure if we've published the latest one which would cover December, but Shani raised his hand, so maybe can speak to this specifially where we are at this moment. Thanks.

SHANI QUIDWAI: Yes, thanks, Kirsten, or sorry, Karen. I don't have the numbers in front of me, but the general expectation is that the ODP will cost close to

that. We're still finalizing the costs and don't have the actual final figure, but we expect it to be close to 9 million or roughly 8 million, I think is the latest projection.

KAREN LENTZ: Thank you, Shani. I see Christopher Wilkinson next.

CHRISTOPHER WILKINSON: Thank you. Christopher Wilkinson for the record. The ODA document is extremely interesting, and one could spend half an hour commenting on it with what agrees and what to disagrees with. The purpose of this point is simply to reinforce Rubens Kuhl's question. I think it is not correct to insist that applicant support should be financed by the other applicants for the current round.

It is the registry registrar community as a whole, which has an obligation and a duty to support ICANN in its policies of diversification and geographical balance. I think the point made by Rubens is correct. Personally, I'm agnostic about this business of options, but set that apart, ICANN has to finance a significant applicant support budget. Currently, the figure that's mentioned in the document of $2 million is obviously an [00:22:06 - inaudible], and cannot possibly survive. Thank you.

KAREN LENTZ: Thank you, Christopher. So I'll comment a little bit on some of these questions in the dialogue and chat. With regard to the applicant support program, this is a key part of the planning for future rounds,

and this was underscored in the final report. Building this into the financial analysis was part of what we started to consider during the ODP. This is in the context of the program needing to be self-funding.

So looking at how many applicants we might expect to request applicant support has been part of this. This, of course, is also unknown, but this ties in quite a bit with the questions about time and communications and outreach upfront. So the applicant support is an estimate based on what we know that will, of course, continue to be iterated as we go. Thanks.

CHRISTOPHER WILKINSON: Yes, well, if I might just react very briefly. Applicant support and successful applicant support contrary to 2012, but successful applicant support and the resulting diversification of the DNS geographically and linguistically, that is a priority which is far exceeding whatever priority, if you will, the GNSO chooses to give to self-financing or financial neutrality for the new round.

I think we just need to get this right. The neutrality question maybe a convenient accounting rule of thumb, but from the numbers I've seen and the experience we had with the previous round, you want to get diversity that is desperately required, politically as well as operationally, if you stick to $2 million for the applicant support program. Now, I'm sorry to take so long. Thank you.

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KAREN LENTZ:	Okay, thank you. All right. I don't see any other hands. So, we will have -- I know we still have some in the chat, so let us respond to those in the chat while we continue with the next section.
LARS HOFFMAN:	Thanks, Karen. I'll give a quick intro. The next section is discussing a couple of the policy issues as we have deemed them within the ODA on ADP work that were highlighted in the Operation Design Assessment, because there may be some relevance to the board consideration or deliberations when they consider the final report. So we passed it on to members of the team who have done much of the work in this, and I think, first, I will pass it on to my colleague, Michael, please.
MICHAEL KARAKASH:	Thanks, guys for the introduction. My name is Michael Karakash, and the first topic we're going to be discussing is the Public Interest Commitments. Next slide please. Sorry, I didn't mention that. Perfect. The next slide we're going to discuss is the Public Interest Commitments and the Registry Voluntary Commitments.
	You can go to the next slide please. So also known as PICs, RVCs for short. Jumping right in, there was some concerns expressed about the enforcement of PICs during the 2012 round. According to the CCT final report, the combination of a short timeframe to respond and uncertainty about the specifics of enforcement may have deterred certain applicants from submitting PICs or impacted which PICs they elected to submit.

ICANN Org and the board have also noted their concerns as to whether the language of the bylaws, those adopted after the launch of the 2012 round might preclude ICANN from entering into future registry agreements that include PICs and RVCs that reach outside of the technical mission as stated in the bylaws.

The language of the bylaws specifically limits ICANNs negotiating and contracting power to PICs that are "in service of its mission." PICs and RVCs are also important being that in the final report, it says that they can be used to deal with string similarity issues as well as to address GAC advice and other objections. Next slide, please.

So looking at the recommended way forward, should the board decide to adopt the recommendations as proposed, there could be some governance risks due to the bylaws language in Section 1.1. As you can see here, Section 1.1 says that the mission of ICANN is to ensure the stable and secure operation of the internet's unique identifier system, and ICANN shall not regulate the services that use the internet's unique identifiers or the content that such services carry or provide outside the express scope.

So one option to address this concern as we note in the ODA is to narrowly amend the bylaws to ensure that there are no ambiguities around ICANN's inability to agree to and enforce the PICs and RVCs as written in the final report.

Next slide, please. So moving right along to the next topic, we have closed generics. Next slide, please. So as a quick refresher, a closed generic is a TLD representing a string that has a generic name or term

under which the domains are registered and usable exclusively by the registry operator or its affiliates.

So on March 7, of 2013, the GNSO Council stated that it was the view within the GNSO that it should not be the responsibility of ICANN to restrict the use of gTLDs in any manner, but instead to let the GLD applicants propose various models, open or closed, generic or not.

The GAC then issued advice on April 4 of that same year, stating for strings representing generic terms, exclusive registry access should serve a public interest goal. The board passed a resolution in 2015 that addressed this issue, but they said it was only applicable to the 2012 round, with the understanding that the GNSO would develop policy on the issue prior to starting subsequent rounds.

The SubPro PDP Working Group did not reach consensus on the policy recommendations as noted in their final report. The GAC also reiterated on several occasions of its previous advice from the Beijing communique on this topic. Next slide, please. Looking at the ODA, in April 2022, the GAC and the GNSO Council agreed to pursue next steps for a facilitated dialogue.

In November of the same year, it was determined that a board facilitated dialogue between a small group selected by the GNSO GAC and ALAC is planned to start this coming January 2023. Should the dialogue result in an agreed upon framework, the GNSO council would move the framework through an appropriate PDP process to draft recommendations that if approved, the board would then consider.

The outcomes, if any, would need to be factored into SubPro implementation work, which could have an effect on the timing of the next round. The ODA states that the board's final action on close generics depends on the outcome of the facilitated dialogue, and the results of any additional GNSO policy work.

The outcomes, if any, would need to be factored into sub pro planning, design, and implementation. It also notes that any action taken by the Board on the final report is not dependent upon a resolution to the close generics issue.

Next slide, please. The final topic I'm going to discuss is Community Applications. Next slide, please. So, Community Priority Evaluation, also known as CPE, is a contention resolution mechanism available to applicants that self-designate their applications as community applications. In the 2012, round, prevailing and CPE allowed the community applicant to gain priority within a contention set.

So briefly, looking at the summary of the final report outputs, we can see that there is an affirmation 34.1 which affirms the continued prioritization of applications in contention sets that have passed CPE. There are two implementation guidance 34.2 and 34.10, which says to provide implementation guidance and improvements to the CPE criteria, then we have the three recommendations.

34.13 says that CPE must be efficient, transparent and predictable. 34 Twelve says it requires transparency and community feedback mechanisms for the criteria and selection of the CPE evaluator. Then

there's 34.16, which as CPE procedures must be published before the opening of the application window.

Next slide, please. A few of the concerns we noted and that was published in the PIRR, was that I can receive complaints from applicants both community and standard applicants regarding the outcomes of CPE through formal correspondence and the accountability mechanisms we have in place.

Also noted in the Board input on the draft final report, there were concerns that the SubPro final report outputs will not sufficiently mitigate the concerns around CPE as experienced in the 2012 round. So next slide, please. So these issues mentioned, in addition to the final report outputs, the ODA proposes exploring additional improvements to these challenges experienced. So the challenges from the 2012 round, there were a high level of legal challenges.

A potential improvement we have for this is exploring different opportunities for string changes as a mechanism for reducing the quantity of evaluations and contention in line with application change requests. Another challenge was the perceived inconsistencies in those evaluation results.

So one path forward is introducing a single panel evaluation process and providing aggregate review of the CPE results. Lastly, one other issue was the evaluation process design lacked inclusion of diverse types of communities. So for this, we encourage involving experts in development of evaluation criteria and to advise and work with the

evaluator.   I'm going to pass on the next slides to my colleague, Antonietta Mangiacotti. Thank you.

ANTONIETTA MANGIACOTTI: Thanks, Michael.   Next slide, please.   So on the topic of terms and conditions, the board raised some concerns about two outputs on this topic and its comments to the draft final report.   Regarding recommendation 18.1, the board noted that it may limit its authority to act as needed and unanticipated circumstances.   Regarding recommendation 18.3, the Board noted that it could open the door for dissatisfied applicants or objectors to argue that the Covenant Not to Sue is not valid because it was not built in a way that the appeals a challenge mechanism was built, excuse me.

The Board asked the working group to review this recommendation as anything that could weaken the Covenant Not to Sue might preclude the ability to offer the program due to an unreasonable risk of losses. ICANN Org found that from an operational perspective, that it would be feasible to incorporate a new version of the terms and conditions.

However, the Board may continue to have the same concerns as the recommendations in the final report on this topic remained unchanged. Next slide, please. One more. Thank you. On the topic of limited appeals challenge mechanism, the final report recommends to establish a mechanism that allows specific parties to challenge or appeal certain types of actions or inactions, as well as to establish clear procedures and to design a limited challenge appeal process in a manner that does not cause excessive costs, or delays.

In the ODA, ICANN Org grouped the types of evaluations and formal objection decisions that are proposed to be subject to the Limited Challenge/Appeal Mechanism to five categories, which are initial extended evaluation decisions made by ICANN, initial extended evaluation decisions made by third-party experts, formal objections decided by third-party dispute resolution providers, contention resolution proceedings decided by third-party providers, and applicable to all form formal objection proceedings and subject to de novo standard of review.

Overall, the team found that implementing the recommendations calling for one or more if needed Limited Challenge/Appeal Mechanism to be feasible, but noted possible concerns with such a mechanism have extended to cover numbers one, two, and five above.

Next slide, please. So regarding number one, extending the Limited Challenge/Appeal Mechanism to cover evaluation decisions made by ICANN or third-party providers may cause unnecessary cost and delay given the availability and purpose of extended evaluation.

Regarding the second category, the proposed scope of Limited Challenge/Appeal Mechanism covers processes such as the registry service provider pre-evaluation and the applicant support program that must be completed prior to the gTLD application submission period. So this potentially challenges the ability to predictably plan for the opening and closing of the application submission period.

Lastly, regarding number five, the process envisioned by the final report for selecting the arbiter of a challenge appeal may be a hindrance when

trying to procure third-party experts to conduct elements of the initial evaluation. So overall, given the outputs, ICANN Org proposes in the ODA to use a similar panel evaluators selection process as it did in the 2012 around. I believe next, I will pass it on to my colleague, Isabelle. Thank you.

ISABELLE COLAS-ADESHINA: Thank you, Antonietta. My name is Isabelle Colas-Adeshina, and I'll be discussing the Applicant Support Program. Next slide, please. Thank you. So the Applicant Support Program also known as ASP was developed for the 2012 round with the goal of providing financial and non-financial assistance to detail the applicants requiring support that intended to provide gTLD to provide a public interest benefit.

The final report outputs over on the applicant support program introduced a number of improvements to the way the program can be operated. Some of the implementation details in the final report were left off to the IRT to finalize. In one of its questions to the General Council, the ICANN Board ODP team specifically highlighted that there is a concern of the envision scope of the IRT based off of their role identified in the Consensus Policy Implementation Framework, or as well as the PDP manual.

In August of this year, the GNSO Council initiated their first GDP or the GNSO Guidance Process to provide additional guidance on the applicant support related outputs. Within the ODA, ICANN Org identified that the applicant support is an important program, and has added a lot of planning details around it. While there were some concerns identified,

which we'll discuss shortly, there's no doubt that the Applicant Support Program can be improved, as well, and it's an important pillar to the next round.

Next slide, please. Thank you. As one of the concerns in the path forward, recommendation 17.2 costs for ICANN Org to expand the scope of the financial support provided to applicants beyond the application fee to cover costs such as writing fees, attorney fees, et cetera. As the Board noted on the draft federal report, expanding financial support to cover the fees that ICANN Org does not charge or does not seem feasible or appropriate to implement.

Yet while considering other ways to follow the intents of recommendation 17.2 as well as to expand the scope of the financial support, within the ODA, ICANN Org suggests that this may be accomplished to the reduction other ICANN fees, plus in the ODA, ICANN Org suggested that ICANN work collaboratively with a subcommittee of the IRT that is specifically focused on the advocate support program to explore additional ways to follow the intent of expanding the scope of the ASP in addition to taking into account the research on other globally recognized procedures as identified in the implementation guidance 17.7.

Recognizing the GDP efforts will not conclude by the time that the ODA has been published. ICANN Org's analysis and proposed design identified in the ODA is based on the SubPro final report outputs, the GNSO Council responses to the policy questions, as well I can org as something's related to the outputs. Next slide, please.

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Next slide, please. Thank you. In terms of the topic of auctions, auctions started in 2012 round, ICANN Org included a method for applicants to resolve contention within the applicant guidebook, and encourage software solution.

This subsequently provided the ability to resolve contentions privately through private resolution of contention sets, also known as private auctions, which are commonly used to resolve string contention. In the final report, the PDP Working Group did not reach consensus on type of resolution of contention set, but noticed that some applicants that acquired for multiple TLDs were able to leverage ones for the private auctions they lost in order to support their finances in the resolution of other contention sets.

Therefore, the ODA proposed that a future round that within and as long as according to the final report, applicants will be required to sign a statement of bonafide intent to operate the gTLD as well as abide to the contention resolution transparency requirements if they decide to self-resolute contention sets.

During the implementation period as well, ICANN Org will seek expert guidance to identify which not effective mechanisms to deter applicants from applying for new gTLDs solely for financial gain. Next slide, please. We will like to close the floor for questions.

KAREN LENTZ: So go ahead, Lars.

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LARS HOFFMAN:	I was just going to say, Karen, we're running slightly behind, so there's no question as to just be moving on. We see there's some question that chat, so we're working on the answers here, and we'll provide them. Over to you, Karen.
KAREN LENTZ:	Okay. Next slide, please. Thank you. So, this is turning to some of the key takeaways from the conclusions as we came to the tail end of the policy analysis and the estimates and the resources needed for the design. So, we noted that to offer the next round in accordance with everything in the final report would require a significant investment.
	The risk component of that comes in because the program is meant to be self-funding as Nanig mentioned at the beginning. So all of the application fees need to pay for the cost of operating the round. With the total investment that we identified as part of the ODP, we would need to make that investment without knowing what the volume of applications is that we would actually receive.
	So unknown whether or if we might ever recoup the major investment that would be needed. So, in most of the ODA as you read it, we provided the design as if we were planning for one single round based on the SubPro report outputs, that we would offer the round, and then have the window open, and then go process those applications in the form of a single next round.
	Because of the major investment that was identified and the risk element of that, we started to look at, in the last couple of months of the ODP, whether there were ways that we could look at the design to

help mitigate some of those factors. So we have an alternative that we've started to explore in Appendix 19, in the last section of the ODA, and that is exploring the idea of a round occurring over the course of four years, which would include four annual cycles, so each year there is an application submission opportunity.

The other component of that would be establishing a processing capacity limit to help the Org plan for and manage the volume. So, in terms of the dialog, when you hear in shorthand, when we talk about option one, that is the one single next round, and when we talk about option two, that is this alternative that we're looking at as to the four annual cycles.

So taking some of the operational aspects of that, when we looked at the timeline for building one big round, we estimated that that would take about five years to do, and that includes developing the applicant guidebook, working with the IRT, establishing the rules, procuring all of the panels that we need, as well as developing a system that would support all of those processes.

This happens somewhat in sequence and somewhat in parallel, but overall, we estimated five years to implement all of those recommendations for a round. So when we looked at the alternative, we were looking for ways to reduce that timeframe.

From the financial perspective, we ended up with the total costs for implementing a single next round at about $450 million, and as I mentioned, the element of risks because the costs would be incurred

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without knowing how much in application fees we would receive to be able to offset that investment.

So we looked at whether there are ways to help mitigate the financial risk by reducing the initial investment amount. Then from the system's perspective, in most of the ODA, we envisioned a sophisticated complete system that would support all of the different processes that are called for in the final report.

That in itself was about a three-year development time with a high investment, and so as we looked at the alternative, we looked at whether there are ways to simplify and reduce the development time and the investment.

Next slide, please. So in these next two slides, we'll compare options one and two, what we describe as options one and two. Option one is the one big round, and as I mentioned, that came out at about five years for implementation that included the policy implementation and the software development.

In any case, there are some of the areas of ongoing community work that have been mentioned earlier, such as the dialogue on closed generics and other dependencies, those exist at the board's determination, but those exists, regardless of what kind of model we look at.

We also looked at this in terms of predictability, and obviously, the longer wait time reduces that somewhat. The 450 million estimated total cost I mentioned earlier, the amount that we would need to invest

upfront is about 100 or 125 million, and then with that model, the estimated application fee would be about $270,000.

There's no submission limits, in accordance with the final report. For this one, we would determine the processing capacity and schedule once we received the applications. This option one is assuming that we are implementing everything in the final report.

We did identify some issues that the team went through earlier that the board might want to look at in terms of full acceptance of all of the recommendations, but for the purposes of design, we assumed that we were building everything in the report.

Finally, from the system's perspective, we envisioned in this option that we would be building a long-term system that would automate a lot of the workflow and consequently reduce the amount of human resources needed. Next slide, please. So when we talk about option two, this consists of four annual cycles.

So the two major factors in this option are, first that there is an application submission window each year over the course of four years. Secondly, that there is some of this cost and planning risk is mitigated by establishing a processing capacity limit per year.

So for this example, in the discussion in the ODA, we've used an assumption of 450 that we would process annually. So as I mentioned, we were looking to see if there were ways to reduce the timeline, and so we set a target for this of 18 months, that would include the policy implementation, all of that, same work would need to occur, we would

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need to work with those areas where there was ongoing community work to help coordinate and see if we could meet that timeline.

Then the software development time would also be reduced as this would be a more simplified system, only focusing on what is essential for accepting applications. When we looked at predictability, we thought that this helped by offering a shorter wait time for the application submission period.

Also, with the processing capacity limit, this can provide more predictability, as people could see where we were in the queue and which application was where. With this scenario, there is a lower total cost of about 407 million, and the upfront investment is reduced by almost half to 267 million.

So with the lower total cost, there's also a lower estimate for the application fee of about $240,000. In option two, this is important, we also are not proposing to limit the amount of applications that we would accept. This is reiterated in the final report that the working group didn't recommend cutting off any number of applications.

We do have a limit of how many we would process in a year, and that would help with building the operational process and supporting predictability. The next one in terms of scope. So with this reduced timeframe, as we mentioned in the beginning, some of the final report outputs are what we view as policy requirements that don't change.

Some of them are implementation guidance that relate to how something is accomplished. So if it would be needed to meet this timeframe, we could look at whether all of the implementation

guidance items needed be present at the beginning, or whether some of them could be added over time.

Then finally, when we look at the systems perspective, the development time and the system build be would be shorter. Because there would be less system resources to automate things, that would require more human resources to process applications manually.

The final thing I'll point out on this option is if it would happen that the number of applications was much larger, such that processing only 450 in a year would take 10 years or something to get through them all, then we would have a known volume and we would have the fees received, which would provide us the resources to be able to scale up and build out the capacity to process them more quickly.

Next slide, please. So this is a summary of option two, and the same points that I covered as far as the features of option two. As you note, on the bottom half, there are still all of the implementation activities that would be needed to be able to launch around at all under any form, and those are listed here on this slide.

Next slide, please. Alright, so I think we are turning back to questions. So I've seen several in the chat. I haven't been keeping up with the chat as I've been talking, but any hands or questions on this section before we go on? Yes, I see Martin Sutton.

MARTIN SUTTON: Thanks, Karen. Yes, I've still got to wade through some of the details on here, but just looking at some of the elements of costs, and particularly

systems, I suppose, I think needs to come under somewhat more scrutiny, and it would be therefore useful to have a bit more granularity.

As an example. I think the RSP pre-evaluation program implementation seems to be categorized quite significantly for level of resources, for instance, medium, which by that determination in the report says 10 FTE value range 1 million to $10 million.

So just as an example, that seems to be something that could be challenged, given that there isn't a huge volume of RSPs, most of which two thirds would be expected to have gone through some evaluation previously. So I think, to my point earlier, some of the granularity on the financials would be extremely helpful for us to understand how those assumptions have been derived. Thanks.

KAREN LENTZ: Sure. Thank you, Martin. So we will cover both a little more on systems and finances in the next section. On the RSP pre-approval, specifically, I agree, and this was somebody else posted this in the chat earlier that ultimately, this will reduce that will save cost and time, and that was part of what the working group wanted to encourage by recommending this pre-evaluation component.

There is a significant cost to build it to start it up. That's not something that we have now or have done previously, so building the capacity and process to do the RSP pre-evaluation, and that's to happen earlier, then the rest of the round, and then to be able to coordinate that capability through the round. I think we estimate that that upfront to get it running is where most of the resources would occur. I see Werner next.

WERNER STAUB: I have a couple of question about the cycles. Is there reason why just four cycles have been contemplated? Could this be extended easily to potentially more such as 10, over 10 years? Related to that, can it be contemplated that the applicant guidebook would be adapted to each cycle? So we don't have to plan ahead for such a long time, because it's going to be for the next cycle.

KAREN LENTZ: Yes, good question. Thank you, Werner. What we were trying to consider is a period of time in which we would not need to make changes. So we consider the round to consist of the four cycles, and we're looking at the time period, what's an amount of time that we could conceivably set rules, and then undertake applications in a series of time before you needed to make updates.

So yes, there's no magic to four, you could make it more or less, but the predictability and the multiple windows of opportunity for people we thought was a good feature. The way that we are thinking about it, as to how we would do this with the four cycles, indeed, would be the same applicant guidebook would apply to all of the four cycles.

If you start changing things in between, then you risk treating applicants differently, you're not treating, you're applying different-- you're, sorry, creating different processes within the round, which is something we're trying to avoid. Okay, I see Michael Plage next.

MICHAEL PLAGE:	Thank you, Karen. Michael Plage for the record. With regard to the RSP validation, right now, if a registry operator wants to switch backend providers, ICANN is, I believe currently assessing a $4,000 fee to evaluate that switch. Can you explain how that cost and that existing work that ICANN is already doing would be that substantially different since ICANN currently has a mandate for the security and stability?
	How would that security and stability of switching from existing backend operators for existing registry operators be different and for new applicants? I'm struggling with that, and perhaps, as Xavier said, in response to Martin, I'm just having trouble with that simple [01:01:53 - inaudible], why is that so different? Can you shed any insight, please?
KAREN LENTZ:	I will try. So, what I understand that the SubPro report is trying to do is to formalize that process, so that it happens there's a RSP evaluation that includes the testing as a subset of that. That is good for a period of time so that doesn't need to be revisited, and they can support one applicant or many. The program that we're trying to build is something that becomes repeatable and does reduce the cost over time. All right. Shall we go to the next section?
SHANI QUIDWAI:	Thanks, Karen. Hi, my name is Shani Quidwai from the ICANN Finance Function. In this section, I'll give an overview of the costs. We've started to touch on that topic, but I'll go through that in more detail. I'll also walk through some of the assumptions and key drivers that impact the costs.

One key thing to note is that all of the assumptions around the program and the procedures and the policies and so forth that the team has been talking about, are reflected in these financials and ultimately are driving the costs. If we could move to the next page, please. Here are some of the key assumptions for the cost model.

We have assumed application withdrawals, the level of withdrawals, we've projected to be similar to the 2012 round. Ultimately, an applicant can withdrawal throughout -- there are stages within the process if they choose to withdrawal or for example, something like string contention.

If multiple applicants applied for the same string, there could result in a refund. Program development, we've been talking about that, but the systems and infrastructure, the outreach awareness, and all of the cost to build and develop the program are included in the cost model. Initial and extended evaluations of applications are included in there.

We'll go through the program operations, and a comparison of what those costs would look like in the option one and option two that we just talked about. The very high-level takeaway is that the operations costs in option one would be higher or lower due to the fact that we would invest more in the development side, and therefore have more automation, and an option two, we would invest lower in the in the development costs and therefore have some higher operation costs, needing more staff to process applications.

Then lastly, similar to the prior round, we have included a placeholder or an assumption for contingency for unknown costs that we are unable

to project at this time. It's assumed at 20% of total operating costs. If we can move to the next page. Here's just a list of some of the operational costs and complexity drivers. We've talked a lot today about the application volume.

Being able to project that would be something that would help us understand the operations and the cost, and not having that visibility is a challenge. String contention creates complexity with the creation and the maintenance and all of the updates in indirect costs relationships.

The appeals mechanism adds an upfront complexity to develop, launch, and support that. Registry voluntary commitments has broad scope of commitments, which ultimately leads to higher administrative costs. Registry service provider pre-evaluation, this adds upfront complexity and cost to build and launch, but ultimately may reduce some of the evaluation costs.

String changes, applicants are able to change they're applied for a string, it creates potential rework and new issues throughout the evaluation process. Then lastly, the GAC advice process, it's a broad scope with low predictability, and ultimately high resources. If we move to the next page here, this is the cost overview. You can see the columns we have on the top.

The first being the option one, this is what we're calling the high automation with the higher investment or upfront costs, you can see that in the program development line, the next being option two, which is a lower investment in program development costs in the batching concept. Then we also have the 2012 round. This includes the costs

that we have incurred to date on the program, and our projection for future cost, as we have not yet finished that round of applicants.

So you can see here that we are running with an assumption of 2000 applications, that is the same estimate in both option one and option two. The applicant fees that ICANN would generate through the program are different $540 million, and option one, and 481 in option two, that is due to the fact that the cost per application would ultimately be higher, and option one due to overall costs being higher.

This is a cost recovery program where we've essentially assumed that it would be cost neutral and that all costs would be funded through the applicants. So you can see here that in option one, the total program costs are 457 million, and 407 in option two. Looking at the cost of the ODP, here, you see that it's $8 million in both scenarios.

You get to that number, this question was asked earlier, but ultimately, those are the costs that we've incurred to date, as well as projected costs over the next months until we would ultimately start programs scoping and IRT work, those costs would be -- $7 million is the current projection, the same in both scenarios, and then here's where you start to see some difference on the program development side and investment of 110 million versus 53 million in option two.

You can see off to the right here, we don't have those same level of granularity as it relates to the 2012 round for the development and implementation. We do have the high-level number here that for that round, the development and implementation costs were $32 million.

The work was not structured in the same manner and that's why we don't have it broken out in the same way. Overall, the costs in option one and option two for program development and implementation are higher than the prior around, and then there's a variety of reasons but a key one being inflation, most of those costs were incurred over 10 years ago.

Additionally, the structure has improved in is changing where we're doing some of the other work upfront, which has added some to the cost, and ultimately, just the scope and some of the work as it has increased. Next we have the operating costs. You can see the initial and extended evaluation is the first line. These are projected at $57 million in both scenarios.

Most of these costs would be outsourced through external vendors, and this is our current estimate. We have yet to engage with any vendors, but regardless of which option we were to move forward with, we don't project a difference in costs, because these would be third party costs, they would not be impacted by the development side.

You can see that those are lower than 2012 round, and that's due to the fact that we have made an assumption here there would be some lower costs for things such as technical and financial evaluations due to efficiencies and change in the process. Next, we have quality control and objection processes and pre-delegation. Both of these are similar to the extended initial evaluation where this would be handled by external vendors and no difference in cost in option one and option two.

We then have the program operations line and that is slightly higher and option two, due to the fact that we've assumed we would invest more in system costs in option one, and therefore an option to need more staff to process the applications due to the less automation. Lastly, the contingency is assumed to be the same in both.

This brings a total operating cost of 332 million in option one, 340 million and option two. You can see the investment income, these funds would be invested similarly as the 2012 round was, there's an investment policy where we invest these funds, ultimately, due to the fact that the cost, we would generate or collect the application fees, and then continue to process the applications over time, and therefore invest the funds until they are needed or the costs are incurred.

At this time, we haven't made any projections as to what the investment income would be, but you can see that through the prior year, we have investment income of $11 million for the 2012 round. The next line here is the remaining funds, and you can see that for the 2012 rounds, there's projected to have $54 million in remaining funds.

Those funds are currently being used to do the work on SubPro today, such as the ODP. You can see here that for both of these options, we have modeled, cost neutral program where there are no remaining funds. Lastly, we had the application fee, that is 270,000 in option one, 240,600 and option two, and that is purely taking the costs that we've projected here and dividing that by the projected number of applications.

So with that, I'll pause, there's probably some questions in the chat, and then I think we'll go to our next presenter, Steve Allison from Engineering and IT, he will go through the system design in more detail. Thank you.

STEVE ALLISON: Thanks, Shani. Next slide, please. Okay, this is Steve Allison from the Engineering and IT Function. I'll be going through the system slides for the presentation today. Just to frame the work of our portion of the assessment. The E&IT team went through all of the outputs and worked closely with our business partners on the production of our business process design in the ODA.

We use that to come up with respective service architecture. Then with that, we broke the surfaces down into discrete IT projects so that we could size them both in terms of resource estimates and estimated time to completion. So on the slide, option one, we've discussed a little bit this morning, this evening. Option one represents a fully transactional system taking into account all of the requirements and guidance, and this is our baseline solution.

Because of the time and scope of the last round, very little if any, of the previous system are reusable today. So the fully transactional system is predominantly new IT services that would be built or sourced by ICANN. So 18 services, three years, 40 to $54 million range, and so we understand the cost and timeline is quite high, and so for option two, we started asking ourselves, what we could accomplish faster and cheaper.

So, under option two, this is our MVP are the most minimal, but still viable product that we could put out, where we only considered what was absolutely critical. So of the 18 services, we still see eight as being essential for the organization to operate successfully in the next round. That would include things like all of the application intake systems, registry service testing, things like that.

We really can't realistically operate the program without these systems in place. Two systems we see as being full implementation, same as option one, six of those IT services while still essential, we found areas of functionality that we believe we could cut from the scope and reduce the timing on, and 10 of the services, we felt we could cut out from scope almost entirely or entirely.

So just to be clear, when we talk about cutting scope from the engineering perspective, we don't mean cutting the business service from the community, what we're saying is cutting the engineering automation support, and putting some of the strain back on our business partners to either operate manually or come up with alternative processes to support similar to the 2012 round.

The result is a reduced engineering footprint, both an implementation timeline, and our cost projections are reduced from 8 down to 18 months and in the 12 to 16 and a half million-dollar range. Then just noting that both options one and two, have some dependency on the AGP and policy development processes as the requirements come out of those processes.

Next slide, please. So I'm not going to cover all of the services, the additional details can be found in Appendix 9 of the ODA. Option one and option two list out here, the 18 services and the reduced services, just to give you a sense of coverage of engineering service support that is captured in the assessment. So everything from registry service testing, changes that would be made on our public websites, applicant support program, down to specific services that have unique functionality, like clarifying questions and things like that.

Next slide, please. Okay, so some pros and cons and risks. We've covered a lot of this, so I'll be brief, but obviously, for one big round, building a fully transactional system with all the automation support and self-service capabilities, it takes longer. So there's a longer lead time for launch, but it is a full system that's capable of supporting multiple rounds.

In option two, there's much less dependency on the IT systems, lower scalability, less automation, less self-service capabilities, but it does allow the organization to launch more quickly and to begin to understand what the demand component looks like before deciding whether to invest further in our automation processing capabilities. So with that, I will hand over to my colleague Lars to cover a little bit about policy timelines, and if there's questions in the chat, I'll take a look. Thank you.

LARS HOFFMAN: Thanks, Steve. I'll just see if there's any questions immediately the new hands are raised on the systems. Before I move to the next couple of

slides, just a quick note. We know there's a lot of questions in the chat, we're trying to answer them as best as we can. We are capturing all of the questions, and those that we can't answer, we'll provide answers.

Afterwards we publish those in the wiki, there will be public, we'll also include in that, obviously answers that we did provide. So whether we provide the answers with reading later, you'll be able to look them up on the wiki page, and we'll do the same for the second webinar today, obviously, as well, it's just a heads up.

With that, the encore, please can we see the next slide? So I'm going to talk a little bit about the policy implementation. So what we mean by that is the drafting of the applicant guidebook essentially, and the two different timelines. So we talked about, obviously, the option one with an overall five year timeline and the option two with an 18 month timeline.

Those are two degree based on the need for the systems in IT and other application issues to have some run up time where some policy recommendation already takes place under option one. So all those processes don't necessarily run in parallel that are staggered. Option two, however, we are trying to propose a solution whereby everything takes place more or less in parallel, which brings down obviously, the overall timeline.

With that, if I can see the next slide León. This explains, well, here on option one, we have a policy implementation of about 30 to 32 months to approve the applicant guidebook, but you'll see at a later timeline

slide that my colleague Chris will present, that other work will still have to go on before the application window then can open.

So this is really just about the policy implementation. I will not talk through every little bubble here on the slide, but I think the key points here are that there's a number of policy issues that have to be addressed before the applicant guidebook can be fully updated and finalized. This is a two-year period here, you see that 24 months.

These items, obviously called out in the ODA, the closed generics, and I think my colleague Michael talked about that earlier, Applicant Support Program, both of these receive currently further consideration from the GNSO and the GAC and the ALAC for closed generics as well. Private auctions, my colleague Isabelle talked about that.

There was obviously no recommendations there, so we have to find a way forward how to deal with private resolution of contention sets and private auctions in implementation. The same is true for some aspects of the CPE. I think, I can't recall, I think maybe Michael spoke about that as well.

In addition to that, there's obviously work from the IDN EPDP that has to complete in that 24 months that will feed into the applicant guidebook. RSP pre-valuation to be in place, and then you had this earlier, there's a proposal to maybe very narrowly amend the bylaws to take any ambiguity out about ICANN's ability to enforce the PICs and RVCs as envisaged in the final report.

So if you look at that, you'd look at about two years, that's what we think we can work with an implementation review team to update and

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finalize the applicant guidebook. Potentially, we've already with public comments on certain sections as we move along, however, and certainly when it's completed, there would at the very least be one public coming round, updating the AGB with the IRT, and then obviously moving to board approval, and you see we planned about six to eight months for that process.

Just a quick note, you see the [01:24:18 - inaudible] in the next slide as well. The applicant guidebook, obviously, pair recommendation 12.8, it needs to be ready for months before the opening of the round to give predictability to applicants. The next slide please. So this is the timeline for the option two for the shorter timeline. So we were guided here first of all by the four months that are required for the applicant guidebook to be ready before the round opens.

So that means about 14 months after the Board gives the action to start implementation instructs ICANN Org community to implement for the applicant guidebook to be drafted. Public comments obviously has to be involved here to plus Board approval. The issues or the items that are talked about under option one, equally applicable here.

However, if you want an opinion guidebook in 14 months, for obvious reasons, they have to be resolved in a shorter timeframe. We've given about 10 months here for the for ODA dependencies, if you want, all the open questions to be resolved, maybe not dependencies open questions, and then finalize the applicant guidebook within 11 months, and then it would go through public comment Board approval in about three months.

We also noted on here, there will also be then shorter timeframes for RSP development applicant support development and opening of the application window is for that as well. It's indicated here as well after 12 months. I'm going to leave this for now, here. Obviously, if there are any question, we'll get to that, there's no question gap after this section. I'm going to pass it on to Chris for the final slides, and then we can open the floor for any final questions. Chris, please.

CHRIS BARE: Thank you, Lars. If we could go to the next slide. So this is a graphic that's depicting the two different options that Karen and Lars have been talking about. If you look under option one, it's a little bit blurry on my screen, hopefully, you can read it.

In the lightest of pink colors under the implementation phase, you'll see that there's four different stages, there's the policy mutation, which is what Lars just broke down in his two different timeline slides, there's the program design, which is the actual development of the procedures and us of the processes themselves that feed back into the AGB, the applicant guidebook, there's the infrastructure development, which Steve talked about, the systems that need to be developed, as well as any other internal capabilities that need to be built out, and then there's the operationalization, the actual procedurealization, I guess, of those processes, as well as bringing in the staff and training them to be able to have the capability to operate the next round.

So those four stages are there, and then the first option, you see them spread out over the course of five years. There's also the ASP, Applicant

Support Program, and you'll see there's a little over a two-year implementation window there, which then would have an operational window that begins about 18 months before the application period were to open for the next round.

There's also the RSP pre-evaluation implementation plan in there as well. Again, it takes about a little over two years, in which case, it also would operate about 18 months before the opening of the next window. In option two, all of that is drastically reduced. So if you see there are those same four stages listed there under implementation phase, but they've been squashed down into a much shorter timeframe.

Same with the Applicant Support Program and the RSP pre-evaluation. So all of that means that that work would have to happen at a quicker pace, and obviously, there'd be a lot more parallel activity going on. Just as what Lars showed in policy implementation, there wouldn't be an impact to the timeline and somewhat more aggressive stance and how work would have to get done. That same applies here as well.

So there could be an impact, obviously, on the resources needed to actually deliver that, and a lot more management of that activity to ensure that timelines are met and that things don't slip. This is meant to be a visual depiction of the differences there. You'll also notice that there's the four annual windows listed in the option two that are not in option one, because hopefully that makes sense.

By the way, each of those four stages I mentioned are described in the ODA. There's a lot more detail there, we have a timeline section. So if you read through that, hopefully that will also add clarity. With that, I

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believe we are done with our slides. So I think we can open it up to questions.

KAREN LENTZ: Thank you, Chris. It's great to see so many questions. It's hard to keep up with them all, but I think the team for capturing all of these so that we can make sure it's to review and fully address all of them. So the floor is open now for questions. Werner. We can't hear you, Werner.

WERNER STAUB: Sorry. In the context of option two, which I consider to be a much better option in all aspects, would it be possible to compliment [01:30:41 - inaudible] of the fees later in cycle two, so that people could assume that the fee might be lower in cycle two and cycle three, compared to cycle one, as a way to encourage people to avoid jumping on the next option?

This is actually what has happened last time, everybody thought it was necessary to jump because there was going to be uncertainty. If you look at the proposed option that we have, which was not discussed today, but let's say it is in the document, which is to run a drone, it's a rather bad thing for predictability, it's almost like programmatic lack of predictability if you have to go through withdrawal.

So if there is a way for people to optimize, that would be one of the ways to do this. It could also go a long way to accommodate uncertainty in terms of what volume or demand is, and it would go a

long way towards community concern about the really high implication for us currently as well.

KAREN LENTZ:

Thank you, Werner. That's an interesting suggestion, and something that we considered as well, in terms of the cycle idea. I think we haven't fully worked out every detail of option two, since it came after the main conclusions of the ODA. One of the benefits that we saw from having four cycles was in the communications aspect.

So with one big round, we have this very long period upfront, to do outreach and communications because there's only a really one short window, there's only one opportunity, and we have to focus all of our outreach efforts on that. With the four cycles, there are multiple opportunities, so you don't have to just do communications upfront one time and get everything in, in that period, you have four years to continue to draw attention and educate people about the program.

So, you're right that the cost could change or we would just have more information over the course of those cycles. It could maybe add, I don't know, I'm thinking maybe add confusion for over the course of the four years, if we are changing major factors of the process, such as the fees to make sure that it's clear that these fees are for this cycle or these fees for that cycle.

I can see some complexity there, but that is an aspect that we considered, and we'll continue to look at if we go down the road of option two. Thank you. I see Martin Sutton next.

MARTIN SUTTON: Hi, Karen, thank you, and thanks to you all, I think there's been some tremendous work and, obviously, some additional areas that have emerged since the report was given at the public meetings at ICANN75. So well done to you and the team for that.

Following on from the last comments, I think there are some significant benefits on option two compared to option one, which seems as if that would be a high risk to ICANN to heavily invest and have to wait for multiple years before accepting any applications, as well as many other things, and I'd like the idea of regular cycles that would help to fine tune and create opportunities for improvements as it moves along.

So that continual improvement process is extremely useful I think. I was just trying to look at the timelines there, and I'm very comfortable in terms of those shorter timelines, because I feel as if we've done loads of the work already.

So, I can understand there's still some development and operational processes to pin down, much of which is based on the last round anyway. So even looking at the AGB, I'm more comfortable seeing that that would be drafted and completed within 11 months and then approved shortly afterwards, that seems far more sensible than the multiple year process just to do the AGB.

I'm just a little bit concerned on those timelines, it ignores a ramp up, and we were surprised last time with the ODP that it was all about, yes, we'll start on ODP, but then there was a ramp up squeezed in at the

start of it all. So I'm seeing comments in the report, which looks like a six month ramp up, and I just wondered when does that actually start?

Because I've seen, and the reason I ask is I'd seen job adverts for senior director roles, for SubPro, which looks great that there was preparation work being done. It even looks as if that role is off of the adverts at the most. I'm assuming that's been filled and ready to go, but just perhaps if you could clarify, what is that ramp up period, when does it start, and perhaps illustrate that a bit clearer on the on the slides going forward to show that there is a period of time and what that would be covering, that would be helpful. Thank you.

KAREN LENTZ: Sure. Thank you, Martin. A couple of things on the ramp up period, that term can be used in in different ways, I guess, in different contexts. Within the project management framework at ICANN, there is typically a three month ramp up period before a project is formally kicked off, and that includes developing the charter, allocating resources, who's going to work on this, and do we have commitments from the functions that we need to be able to do this project?

The ramp up I think you might be referring to was on the systems section, which was contemplating a six-month time period, and that was also to especially get the specialized resources that would be needed for that.

So I think the answer is it really depends when you start, because the Board is now looking at the ODA, the Board has the responsibility of making a decision on the final report itself, but it also has the decision

of directing Org to begin the work and to provide the resources that are needed.

So you can could foresee, for example, a ramp up period that begins or that directs that Org to begin the ramp up, and that's followed by the actual launch. It depends when it when it starts, and that could be tied to different milestones. To your point, that's something that we can look at clarifying on the on the slide. All right, I see Jim Prendergast next.

JIM PRENDERGAST: Yes. Hi, Karen. Thanks, everybody for the presentation. In fact, it was really good to see a lot of folks who have been working on this for the past year, who we never did see before, lots of new names and faces. So hopefully, we get to see your team, the larger team in person more often. Generally speaking, where does this go from here?

Like in the report itself, there's an email address that the community can provide feedback to. How's that feedback going to be handled? Is this document set in stone? Or will it be iterations of the ODA based upon the feedback you get from council from these two webinars today, even from the Board themselves?

I should note it's good to see a couple of the Board members in this webinar. Hopefully, they're taking note of some other community concerns here. Then, basically, is what we're reading today going to be the final and all sale, or is there obviously iterations of this document going forward? Thanks.

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KAREN LENTZ: Sure. Thank you, Jim. So the email address that's in the ODA will remain open. So if people have questions or comments, you can certainly send them to that address, and that mailing list is public, so all of the inputs that are received there are available to anyone. The audience for the ODA is the Board, and so the next step obviously will be taken by the Board, who considers the ODA as part of its deliberations.

That is not the only thing they're considering. There's also the final report and all the public comments that were received on the report. The ODA is an input, so we don't turn in the ODA and say, this is the design and we're not going to change anything as we go into implementation, many of the sections provide options or different ways that we could do something.

So I think we don't expect the ODA to change itself. I think the Board is, not to speak for the Board, but I think we expect that the Board will be interested in speaking with the community and hearing from the community. We have ICANN76 coming up, and we have more webinars and community sessions. So I think those discussions will create a record that will also become part of what the board considers when they're taking decisions on next steps. Thank you. Michael Plage is next.

MICHAEL PLAGE: Thank you. Thank you, Karen. So I think it's clear from your research that what you learned from the 2012 round was that there is not a one-

size-fits-all application, and the cost incurred by ICANN will vary, a .amazon versus a .alibaba versus a .arab. Because ICANN consider part of this work a more ala carte type application fee, so that if someone was to come forward, again, let's just use dot Arab that applied for both an ASCII and an IDN, was to come forward, there's no string contention, there is no objections.

Why are those applications happen to pay a quarter of a million potentially in the next round a quarter of a million? Wouldn't it be better to provide a tiered application fee? If you did this, this potentially would undercut the need for an applicant support program because those applications from distinct communities, potentially those IDNs would not have to pay that.

Has ICANN Org given any consideration of an ala carte or tiered application fee that would associate with additional fees corresponding to additional cost, why the one-size-fits-all approach?

KAREN LENTZ: Thank you, Michael. I'll start and then see if my finance colleagues want to add anything. We did, as part of our analysis, look at what are the fixed costs, what are the costs that apply to every application, versus what are the per-application processes that don't apply to all applicants? So some of that is described in the fees section, but I see Xavier who maybe wants to respond to this.

XAVIER CALVEZ: Thank you, Karen. Can you hear me okay?

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KAREN LENTZ: Yes.

XAVIER CALVEZ: Thank you. Thank you, Michael, for the question, and it's an important part of the analysis. As Karen indicated, there has been something put through the topic of determining different fees for different applications. We have not yet fully developed that idea, but that's absolutely work that we need to be able to do to evaluate what part of the work can-- which is different for different types of application can then translate into a different fee.

In doing that, of course, there's a lot of potential risks and challenges in defining different fees for different application, different strings, as I'm sure you can imagine. Therefore, we want to be really careful to not create an excessive amount of complexity, leave enough predictability to the applicants about the fees themselves, while trying to adjust the fees for different situations that can be sufficiently clearly defined, clearly evaluated, we don't want to apply an incorrect fee to an applicant, whether too high or too low.

So there's a balance here between very specific fees for a given application, and predictability, fairness, feasibility, evaluation, of what fee fits to what application. So this is a balance, but more work needs to be put to be able to do more of that. We will want to set different fees to measurable and clear distinct groups of applications, and we're evaluating those various criteria of distinction of fees.

One fundamental principle then then we want to respect is clarity, simplicity, and predictability, which sometimes may be going against specificity of the fee per application. Thank you for that point, it's a very important one and one that we need to spend more time on. Thank you.

MICHAEL PLAGE: I could, Xavier. Thank you, Xavier. Let me just be clear, I am not saying that the fee will change based upon the string. So the string, all applicants that apply need to undergo a background check, a technical check, and a business check, that's non-negotiable, and I think Karen alluded to that. It would be helpful if ICANN could clarify what the cost for an uncontested string is.

That is different from -- in response to Rubens' comments in the chat, the fees are not associated with the string type. We're basically looking at what strings are uncontested and can quickly move forward, and which ones are potentially going to be contested, and how that applicant can charge or shall we say, charge for those fees, as it goes through the process in a predictable manner, knowing what they are upfront. I just think it really is problematic, and I do have concerns with the increased price as to really impeding the application from some regions that really need this opportunity. Thank you.

XAVIER CALVEZ: To respond very quickly, Karen.   Thank you, Michael.   I think I understand the point that you're making. I don't want to discuss in details the follow up on that, but just to your point, this is something

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that we'll be further discussing when we work more on the theme and the fee structure. Thank you.

KAREN LENTZ: Thank you. I think Martin Sutton is next.

MARTIN SUTTON: Thanks, Karen.   Yes, back again, Martin Sutton.   Just from Jim's comments earlier, I just was trying to think through the process now, but also tagging on what has happened. So we've had all the work from the SubPro culminated in the final report delivered a couple of years ago, which was then approved unanimously by the GNSO Council. We've had all of the planning work going through. So the Board has been informed all the way through this process, which is fabulous.

So I'm assuming that helps us then gain some time as we go into a decision period for the Board. I was just interested, you mentioned ICANN76, but presumably as the Board's been following this through, and this might be something that perhaps a Board member on the call could respond to, but do we have to wait until ICANN76 or is the board actively looking at the ODA now, and can they, presumably, if they're happy to do so, make a decision on what was, I suppose, the SubPro final report, again, unanimously approved by the GNSO a couple of years back.

Is that what should be the next step? Then that will deprive the instructions from perhaps the ODA recommendations or ODA options

for the activity to take place. So I'm just trying to sort of look at this time process now so that e can understand that better.

KAREN LENTZ: Sure. Thank you, Martin. So we are indeed briefing the Board this week on the ODA as we have been doing. The Board has a subsequent procedures caucus group that we worked with throughout the ODP on some of these questions and issues as they're reflected in the ODA. So yes, the Board has been very involved in the process, and is now looking at the briefings.

I mentioned ICANN76 as I expected that this would be a topic of interest as the session planning is starting for that meeting. So it's kind of top of mind, but as far as no specific timetable for the Board, I would, of course, defer to the Board to provide that. All right. I see Werner's hand.

WERNER STAUB: Yes, just one small one. It's going to be some public comment processing by ICANN Org ahead of the Board's consideration, or like a process to kind of compile what comments come in, or maybe a revised version of the final report before it actually goes formally under consideration? Or is this going to be the final thing that goes to the board and then the board will make whatever changes they wish to make?

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KAREN LENTZ:

Thank you, Werner. So I'll answer in a couple of ways. In terms of the ODA, we are not planning to have a public comment period on this document. This is the responses from the Org to the Board to the scoping questions that were answered.

As far as the final report, the Board did open up public comment period for feedback on the final report previously, before the ODP happened, so that public comment summary has already been completed, and that's also something that the Board will take into account.

The other aspect that I'll mention is the GNSO council. So we briefed the Council on this as well, on the findings of the ODA. If we look at the precedent of the first ODP we had, there were some discussions along the lines of whether the council wanted to respond in any way to give the Board input based on the ODA before the Board takes a decision.

I think we may expect some of that also. All right, you have five minutes. Do I see any more questions? All right. Well, if I don't see any, then I will thank everyone for attending the webinar. I'm sure it will take some more time for everyone to absorb all of the ODA, but we hope this has been helpful, and we look forward to continuing these discussions. Thank you, everyone.

LEÓN SÁNCHEZ:

Excellent. This concludes today's community webinar on the New gTLD Subsequent Procedures Operational Design Assessment. Enjoy the rest of your morning, afternoon, or evening. Please, end the recording.

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