LEON GRUNDMANN:	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 20:00 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 or speak in a language other than English, please follow the instructions in the invitation email or slide.

To ensure transparency of participation in ICANN's multi stakeholder model, we ask that you sign in to Zoom sessions using a 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'll 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 will speak if speaking language other than English.

	As a reminder, those who take part in the ICANN multi stakeholder model are to comply with the expected standards of behavior. And with this, I will turn it over to Karen, please begin.
KAREN LENTZ:	Thank you very much Leon. And can we go to the next page, please? I'm happy to welcome everyone to this webinar. We are focusing today on the operational design assessment that we've provided to the Board that is covering the new gTLD subsequent procedures policy recommendations and all of that work that was done through the GNSO policy development process.

We delivered the document to the Board on Monday in accordance with all of the scoping questions that the Board provided to us. And we subsequently then published the ODA document on our webpage. And that is linked here. This is second of two sessions. Both of the webinars and all of the materials will be published on the wiki page that is linked there on the second bullet.

And third thing that I need to remind you of is that the ODP team will be available to speak to any interested community groups who have more questions or want to have further discussions on some aspects of the ODA. So we will be remaining available to do that after the holiday break.

So with that, I'm happy to be able to share all of the work we've been doing over the past many months. I'm going to start it off by turning it to Chris Bare. Thanks.

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CHRIS BARE: Thank you, Karen. What you see in front of you is an overview of what we're going to cover. But let's go ahead and jump to my section, which is the next slide. And before we get into that, I do want to say thank you all for coming. Greetings. My name is Chris Bare, and I'm a director in the strategic initiatives group that's part of the global domains and strategy function. I'll give a brief background of the ODP, we've got a lot to cover. So let's dive right in.

If you recall early last year, the GNSO Council approved the SubPro final report, which had over 300 outputs in the outputs of the recommendations, the implementation guidance and the affirmations that were provided. And in September of 2021, the Board requested the Org to perform an ODP—operational design phase.

The operational design phase is an analysis of those policy recommendations as well as an operational impact assessment of what it would take to implement those outputs.

The Board provided us with a set of questions and a scoping document that is what guided the work that went into the ODP. Now this is the second time we've done an ODP as an Org, and it was a big one. And you can see on here that there is a timeline that hopefully you've seen before. We've shared this in prior instances.

Originally it was a 10-month timeline that was requested by the Board and the scoping document that went to just over 11 months based upon an extension that was added based upon some SSAD project work that

was included in there and ended up peeling off some of the resources that were being used on the SubPro ODP.

During that timeframe, if you notice the items in the green squares, those are the community status updates that we provided along the way. Those are reports that you can find on our ODP webpage that will tell you how the project is progressing.

There were also a few webinars and briefings that were given during the ICANN meetings, which you can see here in blue. So happy to say we did hit the December 12 date as originally stated, and that's what Karen mentioned in the publication on Monday.

We also had several liaison calls with the GNSO Council liaison. Those were done monthly, in which case, we also gave updates there as well as brought forth any policy questions that had come up during the course of our work.

I believe that is where we're at. We're going to go on to the structure of the ODA next, and I'll hand it off to Samantha.

SAMANTHA MANCIA: Thank you, Chris, if we could go to the next slide. So the structure of the ODA was guided by the scoping document provided from the Board. And the ODA ended up being quite long, just over 400 pages. But we did our best to limit the content of the main portion of the ODA, which ended up being just over 100 pages.

You'll see here the main sections of the ODA. So we have the document overview, executive summary, list of figures and tables, general

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observations, issues, dependencies, operational considerations, which included finance, systems and tools, vendors and third parties, resources and staffing, timeline and risks, and then overarching considerations, which included governance, communication, global engagement and inclusion, new gTLD program foundations, registry agreement, contractual compliance, data protection and privacy, security and stability and the global public interest framework, followed by conclusion and next steps.

So if we go over to the next slide, you'll see we have appendices also where we expanded on information from the main ODA where applicable. So you'll notice some of these repeated sections such as timeline, systems and tools, vendors and third parties as well as other information.

We also did our best to organize the information in a way that was accessible. So you have the policy analysis tables, in Appendix three, as well as the topic analysis and appendix five. And there's also an index, all of which you can reference if you're looking to find more information on a particular topic. So that's it for the structure. And I'll go ahead and hand it over to Nate to talk about assumptions. Okay.

NANIG MEHRANIAN: Great, thank you, Sam. Good morning, good afternoon, good evening. My name is Nanig Mehranian. I am the subsequent procedures program manager. And I will be covering the key assumptions today. Next slide please.

So what you see on the screen is the assumption lifecycle that was used by the project team. Many of you may recall project blueberry from 2019, where Org put together a set of SubPro planning assumptions in preparations for the next round. These assumptions were shared with the community. Feedback was incorporated and materials were published on the community wiki page.

These preliminary assumptions were used as a baseline for the operational design assessment. Over the course of this year, the SubPro team published over 350 assumptions in several batches. The last batch, number seven, was published on Monday. As the work progresses, these assumptions will continue to evolve. Next slide please.

Here I will be going over the overarching operational design phase assumptions. Of course, as we're all aware, the SubPro final report contains over 300 outputs. These outputs are categorized as policy recommendations, implementation guidance, affirmations of the 2007 policy recommendations, and affirmations of the 2007 implementation guidance.

With respect to the policy recommendations, in general, these were treated as musts. Therefore, the ODA processes are built around these as fixed requirements. For implementation guidance, in general, this is how something is achieved. If a faster or more efficient way to do something was identified, this is flagged in the ODA.

The final report has a strong theme of predictability. As such, one of our key assumptions is that Org will design the next round processes as predictable as possible. Making sure applicants and other stakeholders

have all the information about how the application process works before the round is launched, such as criteria to use, etc.

Another overarching assumption is that the Board 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 program will operate on a cost recovery basis. That is the program will need to pay for itself and funds will not be taken out of the ICANN operational budget similar to the previous round. Next slide please.

So here I'll be going over some of the general operational assumptions. One of the key assumptions has to do with the application volume. The application volume is unknown for the next round. But for purposes of the operational design assessment, our working assumption is that the volume will be around 2000 applications. This is similar to the volume from the last round.

There were recommendations for the applicant support program that would provide reduced fees for qualified applicants. The assumption here is that the fee reductions will be funded by the general application fees.

Application fees for the next round will also be higher than the 2012 rounds due to several factors. One is that there are new policy requirements, such as the appeal mechanism, the registry service providers pre-eval, etc. There are also incremental service improvements. These are optimizations that were identified during the

operational design phase. Lastly, there are factors of inflation and market conditions that were also considered.

And lastly in terms of the general operational assumptions, the scope of the work is based on the final report outputs. Now, I believe I will hand it over to Karen for high-level takeaways from the ODA.

KAREN LENTZ: Thank you, Nanig. Next slide, please. So I'll cover some of the key takeaways from the ODA. It is quite substantive. But here are some of the major things I think it's important to be aware of.

So first, the majority of the outputs we found to be implementable. If you look at the policy analysis table that Samantha mentioned, many of the recommendations, the majority of the recommendations, we say no issues, this is implementable. And I think in the discussions, we tend to focus on the remaining problems or the still open issues, but there are a lot of recommendations that are not problematic from our view.

Secondly, as Nanig mentioned, if you go through the final report, there's a strong emphasis on predictability and making sure applicants and others have all of the information upfront. So we've used that principle. And then if you read the final report, there's also quite a lot of emphasis on themes of diversity and innovation and having the new gTLD program be able to support those goals.

One of the scoping areas that the Board provided us for the operational design phase was the global public interest. And looking at that at, at the policy work using the draft framework on global public interest that

has been piloted in the community. So a team went through the whole final report with the global public interest framework in mind and found that indeed, the community did consider very deeply many of the public interest aspects of that framework. And that's noted in that section of the ODA.

When it came to issues, there's a section that we cover topics or recommendations where there was either a remaining question or some concerns about consequences and maybe unintended consequences if we were to implement that recommendation. And so we'll cover those issues in the next section of the presentation.

And lastly, with all of the work on the final report and all of the necessary processes and things that the organization would need to build, there is a significant investment involved in bringing all of that into fruition. And that's both an investment in time, in Org's and the community's and the Board's time, and also in human resources and financial investment. So, those are some of the key takeaways from having gone through this exercise. I'm going to turn it next to Andrew Chen on dependencies. Thank you.

ANDREW CHEN: Thank you, Karen. Hello, everyone. I'm Andrew Chen. And I'll be talking briefly about our dependencies today. If you go to the next slide, please. So the ODP team identified areas of work that could be considered dependencies to opening the next round. We have grouped these dependencies into three general categories.

The first category is for final report topics that may require additional actions or decisions. These are topics and outputs that did not achieve consensus or where we have some questions about the feasibility of implementing something.

As Karen alluded to, these topics include registry voluntary commitments, closed generics, community applications, terms and conditions, [inaudible] appeals, the applicants support program and auctions. And these will be covered in the next section.

The second category is for advice and review team recommendations that require action or Board decisions before the opening of the next round. The Board decision will ultimately determine whether the advice or recommendations is a dependency to opening the next round. This includes action or decisions on SSAC advice, ALAC advice, CCT recommendations and SSR2 recommendations.

The last category is for ongoing and related community work that could impact the implementation or opening of the next round. And these include things like the name collision and analysis project, the EPDP on internationalized domain names, and community work on DNS abuse. That's it for my update on dependencies. We can go to questions.

LARS HOFFMANN: Thanks, Andrew, I'm just going to make a quick remark on the questions. We have several slots built in on questions after various sections. So we have a lot of slides to go through. Just a quick request. There's a section on finance, on systems, on policy items [inaudible]

that we, if possible, restrict the questions to what we've just heard. Obviously, if something is very urgent, raise your hand.

And also another qualifier, we had an earlier webinar, we gathered all those questions from that webinar and included the answers that we provided during that. Those that we didn't answer, we're working on the answers. We're going to do the same during this webinar, gather the questions, provide the answers either in writing here or speaking here or later written as well. And we will publish that on the wiki page as well. So those will be available to everyone. With that, any hands on what we just heard? We can go to the next slide, please. Thank you.

I'm just going to do this very quickly. We're talking about what we called during the ODP work the policy issues, and kind of some concerns maybe or items that we discovered in the final report that we highlighted in the ODA and brought to the Board's attention. They may be relevant for the Board's adoption of the final report.

Obviously, we delivered the ODA to the Board upon the request to inform the discussion on the final report. So it will be up to the Board to decide on next steps.

Having said that, I'll pass it over to my colleagues who worked on many of these topics. I think I'm passing it on first to Michael.

MICHAEL KARAKASH: Thanks, Lars. So my name is Michael Karakash. I'm going to jump right into the topic. Next slide please. So the first one, we have public interest

commitments, also known as registry voluntary commitments. Next slide, please. PICs, RVCs for short.

Jumping right in. There were some concerns expressed about the enforcement of PICs during the 2012 round. According to the CCT final report, we can see they noted 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 ICANN's technical mission as stated in the bylaws.

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

Looking at the recommended path 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. The mission of ICANN is to ensure the stable and secure operation of the Internet's unique identifier system. ICANN shall not regulate services that use the Internet's unique identifiers or the

content that such services carry or provide outside the express scope of section 1.1(a).

As noted in the ODA, one option to address this concern is to narrowly amend the bylaws to ensure that there are no ambiguities around ICANN's ability to agree to and enforce PICs and RVCs as written in the final report. Next slide, please.

Moving right along to the next topic, we have closed generics. Next slide. As a quick refresher, a closed generic is a TLD representing a string that is a generic name or term under which domains are registered and usable exclusively by the registry operator or its affiliates.

On March 7 2013, the GNSO Council stated 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 new gTLD applicants propose various models, open or closed, generic or not.

The GAC then issued advice on April 4 of 2013, stating for strings representing generic terms, exclusive registry access should serve a public interest goal. In 2015, the Board passed a resolution that addressed the issue of closed generics, and that was only applicable only to the 2012 round with the understanding that the GNSO would develop policy on the issue prior to the start of subsequent rounds of new gTLDs.

The SubPro PDP working group did not reach consensus on these policy recommendations as noted in the final report, and the GAC has also reiterated on several occasions its advice from the Beijing communicate on closed generics. Next slide please.

As noted in the ODA, in April 2022, the GAC and the GNSO Council agreed to pursue next steps for a facilitated dialogue. In November, it was determined that a face-to-face Board-facilitated dialogue between a small group selected by the GNSO, the GAC and ALAC is planned for January 2023, though the group has already been meeting regularly over Zoom to conduct pre work leading up to this meeting.

Should the dialogue result in an agreed upon framework, the GNSO Council would move the framework through an appropriate policy development 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 closed generics depends on the outcome of the facilitated dialogue and the results of any GNSO policy that comes from them. The outcomes, if any, will need to be factored into the SubPro planning, design and implementation. It also notes that any action taken by the Board on the final report is not dependent upon a resolution on closed generics. Next slide please.

The last topic I will be discussing is community applications. Next slide please. Looking at CPE at a high level, community priority evaluation is a contention resolution mechanism available to applicants that self-designated their applications as community applications in the 2012 round. Prevailing in CPE allowed the community applicant to gain priority within a contention set. Next slide please.

Here we can take a look at the summary of final outputs. Looking at the affirmation 34.1, it affirms the continued prioritization of applications and contention sets that have passed CPE. Then there are two implementation guidance, 34.2 and 34.10, which provides implementation guidance on improvements to the CPE criteria.

Then there were three recommendations. 34.13 said that CPE must be efficient, transparent and predictable. 34.12 said that it should require transparency and community feedback mechanisms for the criteria and selection of the CPE evaluator, and 34.16, which says that the CPE procedures must be published before the opening of the application window. Next slide, please.

Looking at some of the concerns around CPE, as noted in the PIRR, ICANN received complaints from applicants, both community and standard, regarding the outcomes of CPE through formal correspondence and the accountability mechanisms.

As noted in the Board input on the draft final report as well, there were concerns that the SubPro final report outputs will not sufficiently mitigate the concerns around CPE as experienced in 2012. Next slide, please.

Looking at the recommended way forward, in addition to the final report outputs, the ODA proposes exploring additional improvements to address the challenges experienced in 2012.

The first issue are there were high level of legal challenges. One potential improvement for this would be to explore opportunities for

string changes as a mechanism for reducing the quantity of evaluations and contention in line with application change request outputs.

Another issue during the 2012 round was the perceived inconsistencies in evaluation results. One potential path forward for this would be introducing a single panel evaluation process, or providing aggregate review of CPE results.

Another issue during the 2012 round was the evaluation process design lacked inclusion of diverse types of communities. And one path forward as proposed for this is involving experts in development of evaluation criteria, and to advise and/or work with an evaluator.

Now I'm going to be handing this off to my colleague, Antonietta.

ANTONIETTA MANGIACOTTI: Thanks, Michael. My name is Antonietta Mangiacotti and I will cover the policy issues concerning terms and conditions and limited appeals challenge mechanism. Next slide, please.

So on terms and conditions, the Board raised concerns about two outputs on this topic in its comments on the draft final report. Regarding recommendation 18.1, the Board noted that it may limit its authority to act as needed in 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 they did not like the way the appeals challenge mechanism was built or operated.

Therefore, 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 unreasonable risk of lawsuits.

ICANN Org found that from an operational perspective, it would be feasible to incorporate a new version of the terms and conditions. However, the Board may still continue to have the same concerns given that the recommendations in the final report remained unchanged. Next slide please.

On the topic of limited challenge and appeal mechanism, the final report recommends to establish a mechanism that allows specific parties to challenge or appeal certain types of actions or inactions, to establish clear procedures and to design a limited challenge appeal process in a manner that does not cause excessive costs or delays.

So in the ODA, ICANN grouped the types of evaluations and formal objection decisions that are proposed to be subject to the limited challenge appeal mechanism into 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 formal objection proceedings and subject to de novo standard of review.

So overall, the team found that implementing the recommendations calling for one or more if needed limited challenge appeal mechanism to

be feasible. But there were possible concerns noted with such a mechanism if it is extended to cover numbers one, two, and five listed above. Next slide.

Regarding number one, extending a 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. So that must be completed prior to the gTLD application submission period. And this potentially then challenges the ability to predictably plan for the opening closing of the application submission period.

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, the Org proposes in the ODA to use a similar panel evaluator selection process as it did in the 2012 round. So this brings me to the end of my slides and next I will hand it off to Isabelle, who will cover the remaining topics.

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ISABELLE COLAS:	Thank you Antonietta. My name is Isabel Colas-Adeshina and I'll be discussing the policy topics around applicant support program and auctions. Next slide please.

Thank you. So the applicant support program was developed in the 2012 round with the goal of providing financial and non-financial assistance to gTLD applicants requiring support for the intention of using a gTLD to provide a public interest benefit.

The final report outputs around applicant support program introduced a number of improvements on the way that program was operated in the 2012 round. Some of the implementation details within the final report were delegated for the IRT to finalize.

Thus, the ICANN Org's ODP team highlighted to the Council a possible concern that envisioned the scope for the dedicated IRT may be out of scope based off of the role envisioned in the PDP manual as well as the consensus policy implementation framework, or the CPIF.

Thus, this year in August, the GNSO Council initiated their first GNSO guidance process or GGP to provide additional guidance on the ASP-related outputs. In the ODA, ICANN Org noted that the ASP is an important program and has added a lot of planning details around this topic. And while there are some concerns around the finer details of the outputs, there's no doubt that the ASP program can be improved for the next rounds. Next slide, please.

Regarding the concerns in the path forward, specifically recommendation 17.2 asked 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 and attorney fees, etc.

The ICANN Board commented in the draft final report that expanding financial support to cover fees that ICANN Org does not charge for does not seem feasible or appropriate to implement. Yet in considering ways to follow the intent of recommendation 17 as well as to expand the scope of financial support, within the ODA, ICANN Org suggested that this may be accomplished through the reduction of their ICANN fees.

Within the ODA, ICANN Org then suggested that ICANN Org will work with the subcommittee IRT that specifically focuses on the applicant support program to explore ways to follow the intent of expanding the applicant support program, as well as taking into account research on other globally recognized procedures as noted in the implementation guidance 17.7.

Recognizing that the GGP efforts will not conclude at the time that the ODA has been published, the ICANN Org ODA analysis is proposed based off of the SubPro final report outputs, the GNSO Council responses to policy questions, as well as ICANN Org4 assumptions related to the outputs. Next slide please.

Regarding the topic of auctions, in the 2012 round, ICANN Org included methods to resolve contention within the applicant guidebook or the AGB. This encouraged self-resolution and subsequently allowed 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 private resolution of contention sets, but did note that some applicants that applied for multiple gTLDs leverage their funds from private auctions they lost for financial positioning in the resolution of other contention sets.

Within the ODA, ICANN Org propose that in future rounds, and as well as in accordance to the final report, applicants will be required to sign a bona fide intent to operate the gTLD as well as abide by the contention resolution transparency requirements.

During the implementation period, ICANN Org will also seek expert guidance to identify additional effective mechanisms to deter applicants from applying for a new gTLD solely for a financial gain. Next slide, please.

And we have some time for questions.

KAREN LENTZ: Thank you, Isabel. I don't see any questions on this section. So we can go to the next section.

KATHY KLEIMAN: There's a question in the chat from someone.

KAREN LENTZ: Thank you, Kathy. We're looking at the question to be able to respond to that one on PICs. So I think—

CHRISTOPHER WILKINSON: I'd be interested in your response to Siva.

KAREN LENTZ: Sure. So there are a few questions within this chat. So the idea of what commitments applicants are allowed to make is not so much the issue as the fact that the commitments are incorporated into the applicant's registry agreement with ICANN. And because ICANN has a responsibility to enforce the agreement with the contracting parties, it then becomes an issue of what is appropriately within ICANN's remit to enforce.

So I think that what we described in terms of the concerns that have been expressed on the recommendations related to PICs is not so much about what an applicant could or should propose as a commitment, but how ICANN would be able to handle what those commitments might be when they become contractual terms.

CHRISTOPHER WILKINSON: Yeah, I think on that point, it would be—this Christopher Wilkinson speaking in support of Siva. I think from that point of view, it would be very important to see very soon the amendments to the bylaws that are going to be proposed. Thank you.

KAREN LENTZ: Yes, thank you, Christopher. And that is one path that we suggested in the ODA that could be pursued. That's something that the Board will consider as a path forward. All right. I see a few other—

CHRISTOPHER WILKINSON: You also have a question from Kathy about this.

KAREN LENTZ: Yes, so the first question I see from Alan has been answered. Okay. So next one from Kathy, what will ICANN do with PICs that are illegal or immoral or contrary to consensus policy?

Well, I think in that instance, the applicant as we described and as was kind of envisioned in the final report, the applicant can propose any sort of public interest commitment or registry voluntary commitment.

The recommendations also provide that there is an opportunity for people to review and comment on those proposed public interest commitments. There is nothing in terms of ICANN's ability to or requirements to comply with applicable laws that would have to be part of—that's a standard part of signing any agreement in review of the contract terms.

All right. Are we still in the timeframe for questions? Just making sure before I go on.

LARS HOFFMANN: I was just going to say that very quickly, I think Cathy has a hand up. And after that, I suggest we close the queue. We have taken, as I said at the beginning, we will take questions from the chat and provide answers in writing [inaudible] later, but we have a lot of slides to get through. So Kathy, over to you. And then I propose we continue. Thank you.

KATHY KLEIMAN: Great. Thanks, Lars. So quick question, Karen, quick follow-up question which is also in the chat. What procedures are you building for handling the comments that may come into the PICs, which may include concerns, complaints that this will hurt some portion of the community? How's that been built in? And in terms of timing, how does that work? And who responds? Is that ICANN staff responding or the Board? Thanks.

KAREN LENTZ: Sure. Thank you, Kathy. Well, and I think there are a few permutations of cases where people would be proposing registry voluntary commitments. In the final report, for example, it's contemplated that an applicant could propose a new RBC in response to an objection or in response to concerns that had been received. And that can happen at any point in the process.

So in the event that, for example, the applicant is proposing that commitment in order to address one of these scenarios, one of the obvious questions is, does that other party agree that that commitment addresses that concern?

So as part of considering and processing those public interest commitments, I think there are different reasons that motivate the different proposed commitments. And there would also be different criteria or steps depending on what those circumstances would be. All right. Thank you, Kathy. And I think I am next on the slides.

This section of the presentation is turning to some of the operationally focused conclusions of the ODP. So if we can go to the next page, please. Thank you. I mentioned at the beginning that one of the key takeaways is the significant effort and investment that would be required to implement everything and the final report. And when we looked at the cost and time and risk aspects of operations, one of the risks that came out is that that investment would need to be made before the volume of applications is known.

Nanig mentioned earlier that we were using a working assumption of 2000 applications. But it could be much less, it could be many more. And we don't know that until we've received them. Nanig also mentioned earlier that the new gTLD program and the round within that needs to sustain itself so that we don't take funds from the ICANN budget, and other responsibilities of ICANN's operations.

So one of the key concerns that we came out with here is that we need to make a significant investment that we don't know if or when it might ever be recovered based on the unknown volume of applications.

This next section is looking at once we had arrived at those kinds of outcomes, as far as the calculations and the estimates, we started to look at whether there were ways that we could design or model the program that would help to mitigate some of these issues.

For most of the time in our work on the ODA, we envisioned that we were building a design for a single immediate next round, as has occurred in the past, there's a period of time leading up to around, the window opens and closes where applications can be submitted, then

the applications are processed. And then at some later point, there would be another next round after that. And that's what we had been considering in terms of the estimates.

Because of the significant investment and the risk that I mentioned, we started to explore a second option. And that is to conduct the immediate next round over the course of four years and to have four annual cycles. That is, for each year of the four years, there would be an opportunity to submit applications.

So you'll hear for shorthand, when we talk about these, that we call the first one option one and the second one is option two. So we'll be going through these in more detail in this next section.

Looking at the timeline, our first outcome as far as how to implement a round that does all of the things in the SubPro final report, we estimated that it would take about five years, starting from the time that we began the implementation at the direction of the Board and ending with the time that we would open the submission period for applications. That five years would include both the development of the applicant guidebook, the procurement of panels and vendors that we need. It would involve hiring the staff, setting up the operations, doing the communications, building a system, all of these things, many of them in parallel, but also in some degree sequential. So in coming up with option two, we looked at, is there a way that we can reduce that upfront timeline?

Looking from the financial perspective, the total costs for a single large round came out to about 450 million. And as we highlighted, the main

financial risk is that we would need to make a large upfront investment and not be certain of when or if those costs could be recovered. So we looked at ways to mitigate that risk by looking if there are ways to reduce the upfront investment.

Finally, looking at the systems perspective for a single large round, we envisioned an end-to-end system that would be built for the long term that would support and interconnect and automate all of the different components of the process based on the final report that in itself has had about a three-year development time at a cost of about 47 million. So when we started to look at alternatives, we determined to consider if there was a way to simplify and focus on the system components that were necessary to receive applications, thus creating a shorter development time and a smaller upfront investment. Next slide, please.

So these next two slides compare option one and option two. I mentioned on the left that we came out with about five years for implementation of a single large round, based on all of the things that I mentioned. One important point on this blue rectangle has to do with some of the ongoing policy work or other work that is happening in the community that Andrew mentioned, for example, and others mentioned, for example, the dialogue around closed generics, the policy development work on IDNs and other aspects. So those items exist in either scenario.

We also looked at the options in relation to predictability. So we thought that waiting for one big round potentially limited the predictability as applicants would be waiting for a long period of time. I mentioned the total cost in the previous slide. But one of the key

numbers to look at here is the upfront investment, which is about 125 million is our estimate. And that would be money that the Org would need to invest before any fees are received to offset it. Using that scenario, the estimated application fee comes out to about $270,000 US.

In option one, there are no submission limits. So we take as many applications as we get. And we would determine the processing capacity and schedule once we received all of the applications to be able to schedule them when the evaluation will occur. Option one also assumes that we are doing everything in the SubPro final report. We mentioned earlier in the previous section some questions around some of the policy recommendations that the Board might want to look at. But for the purposes of this design and estimate, we're assuming that we are implementing everything that's in the final report.

Finally, looking at the systems, option one is assuming a complete and a scalable system that automates a lot of the work of processing applications, and then consequently requires fewer human resources to be hands on processing of applications. Next slide, please. Thank you.

So this looks at the same elements with option two. Option two, we call four annual cycles. And the two things to keep in mind here as features of option two, one is that there are four application periods over the course of four years. And secondly, there is a processing capacity limit of, in this scenario, 450 applications per year. And that allows us to plan around a regular number and build according to that.

EN

So I mentioned in seeking to consider an alternative, we were looking to reduce the upfront time for implementation. So the target that we set here for option two is 18 months. That would require an accelerated timeline for developing the guidebook, largely based on what already exists and would also reduce the time for software development because the amount to be built upfront would be reduced.

I mentioned on the previous slide that the 18 months also would not just be for ICANN Org but also for the Board and the community where there are these areas of work that are ongoing, would need to be a coordinated and agreed timeframe. I see Christopher's hand, but if you don't mind, could I finish the slide and then take the question?

CHRISTOPHER WILKINSON: Of course.

KAREN LENTZ: Okay, thank you. We looked at option two for predictability and thought that this could be helpful both because of the shorter wait time for the submission period to open but also because of the processing capacity limit per year, which makes it trackable where applications are in the queue and when the next set would occur.

Looking at the cost, this comes out to a lower overall cost of about 407 million, but the initial investment cost is also cut significantly to about 67 million. Using this scenario with the estimated overall costs, this comes out to an application fee of approximately $240,000 US.

I think it's important to note in both scenarios that there's no proposal to limit the amount of applications that we would accept, that is in line with the final report that there should not be limits on receiving applications that people would like to submit. So we don't foresee any limits to what we would accept. But in this scenario, in option two, there is a proposed limit for processing capacity per year of 450 applications.

When looking at the scope and the timeframe, we did think it's important to point out that there could be a need to delay or defer some of the implementation guidance items which relate to features or how something is to be accomplished. With the reduced timeframe, for example, we might focus on only what's essential for opening the round, and then continue to add those features over the course of the four years.

Finally, I'll conclude this part with the system. Option two is assuming a smaller system that focuses on a smaller number of services. And that does translate to a higher need for human resources to actually process the applications. This also notes here, this is until demand is known. So a question that I've heard is what if there's 10,000 or something where if we're only doing 450 per year, that would take many years for us to get through them all.

In that instance, it's contemplated that we would have a known volume that we need to scale up to. And we would also have the funds in the form of application fees to be able to scale up and process them more quickly. So that is the comparison of options one and two. Thank you for waiting, Christopher, we can go to your question now.

EN

CHRISTOPHER WILKINSON: Good evening, this is Christopher Wilkinson for the record. Since I think it's two minutes to 10, I shall have to be extremely brief. Two points. First of all, there was a significant minority in the PDP arguing precisely for what we call batches, what you call cycles, but boils down to the same thing. And it's a pity that the PDP did not explore and document the merits of that option. I'll leave it at that for now. But please don't accept the PDP as the Bible.

The other point is about limits to applications. The drafting of the report is slightly ambiguous. There are two limits that are in play. One is your limits as to the total number of applications that you can process and deal with. And I agree that there should not be as such a limit, though I accept that administratively and resource-wise your figure of 450 a cycle is probably very [inaudible].

The other limit which I think is extremely important in relation to competition and diversity is to place a limit on the numbers of applicants per individual entity. We are cursed with portfolio investments in unlimited applications from certain large organizations which can defy ICANN requirements to diversify and to support a wider range of applicants worldwide. Thank you. And good night. It's 10:00 here and I haven't had my supper yet.

KAREN LENTZ: Thank you, Christopher. And please go have your supper. Thank you for the comments. And we are taking the final report as reflective of the questions that we need to be considering. In many instances, the

rationale does discuss the deliberations that the working group had that led to the outputs. Thank you for that. Next, I see Jonathan Zuck.

JONATHAN ZUCK: Hi, thanks, Jonathan Zurich from the ALAC for the record. My question is about the 18-month implementation portion of option two. And I probably already know the answer to this question that you were suggesting things that—the things you left out weren't necessarily fixed in your proposal for option two. But my concern is that some of the things that matter the most to the At-Large community, things like community priority evaluations, applicant support, etc., weren't on this list. So I just wanted to make sure that option two wasn't wired in such a way that the communities about which we were most concerned are the ones waiting for the next batch or something like that because of this shorter implementation period. I hope that question makes sense. Thanks.

KAREN LENTZ: Thank you, Jonathan, I may ask you to clarify the question a little bit. Are you asking about the scope in terms of what would be left out, what would matter [inaudible]?

JONATHAN ZUCK: That's right. Here in the 18-month implementation, you don't mention applicant support, for example. So would that be something that might get pushed to a later cycle?

KAREN LENTZ:	No, that's not at all the intent. We didn't list everything on here. But we did mention, for example, that there is a GNSO guidance process right now happening on applicant support. That's one of the areas of ongoing community work that we referred to.
	When you think about—and I can definitely say there's no intention to remove applicant support program from option two. When we look at the box that says potentially reduced or delayed scope, maybe an example is helpful. So one of the things that I would think of in that category is, for example, there's some implementation guidance around the system and reporting such that we should have a feature that allows people to sign up to follow an application. So they would get an automatic update anytime that that application changed status. So that is a feature that may not be needed to launch the round. But it is a feature that could be added at a later point. So those are the kinds of things that we would be envisioning when we talk about the scope. Right, I see Amadeu next.
AMADEU ABRIL:	Okay, hello. Thanks, Karen. Amadeu Abril from CORE for the record. First, I will refrain from doing any comment on the cost that ICANN attaches, not just to this report, to anything. I'm shocked each time I read how much things cost. It seems like everything from a [coffee to spellcheck] must be done by a Jones Day senior partner or something like that.
	Anyway, regarding the two options, my apologies, I was unable to read the whole report. My voice reading software told me that's 14 hours

and nine minutes. And I haven't had that much time today. So I've just been jumping from sections and my impression is that most of the report, in fact, most of the ODA deals with the single batch option. I don't know whether I'm reading that wrongly that at the end, the multiple batches appeared. For the record, CORE was a strong supporter of the batches from the very beginning, from before the PDP, from before 2012 in fact.

And my question for you regarding the second option would be as you mentioned, for instance, community priority not being completed will then mean that if we go for the second option, community-based TLDs will not be able to apply or could apply just in case to prevent some strange things regarding string contention, but would need to wait to be evaluated until this part is completed later in the process. I don't know whether the question is clear enough.

KAREN LENTZ: Yes, thank you, Amadeu. And we will get into the cost questions in the next section. But in response to your comment about options one and two, you are correct in that they're not [equivalent.] So we spent most of our time in the ODP working through what we now think of as option one, and coming up with those estimates and the process design and how we would suggest to move some of the open issues.

Because of the high costs and the long timeline, we started in the last couple of months to explore other options that might help to address some of those issues. So option two is not nearly as fully fleshed out in terms of all of the details we shared in Appendix 19, what was our

current thinking as to how option two would work, but it's not something that we've been able to develop to the extent of knowing all the details on it.

And as far as your question on community priority and community applications, I don't think we've said anywhere that we're waiting for something on that. We listed that as an area where we spent a lot of time and we had some suggested mitigations or improvements based on the implementation guidance. But I don't think we've said anywhere that there's something that we're waiting for in terms of community applications. And in option two, again, there's no idea that we would be substantively changing any part of the evaluation process, including the community aspects. Donna and then Martin.

DONNA AUSTIN: Hi Karen, Donna Austin. Just, I guess, an observation and a couple of questions. So I kind of think from a pragmatic perspective, and looking forward to actually getting the new gTLD process going, I think there are some positives about option two. And my concerns are I noticed that the batches are going to be done by way of a prioritization draw, but if you are accepting not just 450 applications in each individual round and if there's a prioritization draw, would you consider that it's not really about 450 applications, it may be about 450 unique strings. So I could see where if you've got 1000 applications, you've got 400 slots, there could actually be string contention in those other 550 that aren't going to end up the batch through the prioritization draw. So I kind of think there's an issue there.

With the cost, the $240,000, I must admit I was a little bit surprised, because when we had the discussions in SubPro, I think there was— well, maybe not. I think there was a reluctance to go beyond $185,000. For competition reasons, that's what the price was in 2012. So why should it be any higher? I accept that there may be inflation and things like that, and I know that you said there'll be a breakdown of the finances coming.

But there is a disadvantage to that $240,000 cost, I think. Certain applicants—and I'm thinking particularly about geos and potentially IDN applicants in that that cost may be too extreme. So you may be cutting some people out of the market. Not intentionally, I understand it's a very pragmatic way that you've gone about this.

So I wonder whether there's an opportunity maybe after the first cycle or even after the second cycle to review that application fee and see if there's an opportunity to reduce that as you go through the rest of the cycles, to pick up on some of that.

And I actually think there's an advantage of having a high fee in that first opportunity to submit an application. Some of that will potentially relieve some of the anxiety around the concerns that people are submitting applications to leverage for financial gain. So basically, to lose an auction.

I think if you set the price high enough, that is a disincentive to people submitting multiple applications specifically for that reason. So from a pragmatic perspective, I think option two has a lot of positives. So I think it's worth fleshing out and exploring, but I caveat that with we

may be going against some of the major policy recommendations that came out of SubPro. But if we can find a way to overcome that, I think option two is really worth further consideration. Thanks.

KAREN LENTZ: Thank you, Donna. And I won't respond to everything, as we will go into the cost and we are now a little bit behind. But one thing that I'll point out on option two, as I've said, this is an option that we started to explore and have put in as much of the details as we thought would make sense for our current thinking, but the point that you raised about contention and prioritization and those needing to coexist is one that we do deal with a little bit in in Appendix 19. With the 450 processing capacity, it's very straightforward if you have less than that, but it requires some more steps once you get beyond that. So thank you for that. Okay, Martin, over to you.

MARTIN SUTTON: Hi, Karen. Sorry to be back again. I'll try not to repeat anything from this morning, from the earlier session. But I think the cost element, it would be useful to have a bit more detail. I know you'll go through some of that in the next upcoming slides.

One of the things that seems to stand out to me, though, is that this second option was kind of later to the table in terms of exploration during the ODP. And therefore, I'm just wondering if there is potential to add in some scenarios that could sort of test this out a little bit in terms of what if 2000 applications come in on the first year? And how would you then scale up given the fact that as you quite rightly say,

you've eliminated a lot of the risk in terms of financial risk, but you can actually use that very quickly early on as soon as you've got the volume in and the income to scale up in certain ways?

So it would be useful, I think, to explore that, and I don't think this is the session to do that. But I think as an extension to the ODA, that might be useful, just to quickly try and illustrate how that could scale up effectively for a large number going in on this option two first cycle.

And just another consideration is these costs, we'd love to scrutinize these. So more detail would be wonderful, but I know it opens up more and more questions more often than not. But it might be useful to have a range of confidence in the figures. So if the 240,000 here is sort of a ballpark, is it 10% either side that we'd be looking at, or is it a larger fluctuation until we get a real good, stronger handle on what will be the actual costs as we delve into this in more detail? Thanks a lot.

KAREN LENTZ: Sure. Thank you, Martin. And that's a great segue to the next section. So I will turn it to Shani for the cost discussion.

SHANI QUIDWAI: Thank you, Karen. Hello, everyone. This is Shani Quidwai. I'll go through the financials in more detail. If we can move to page 48. Before we go through the cost, I'll provide a little bit more background about some of the assumptions and context that goes into the cost model. We have included application withdrawals and projected those to occur at a similar rate to the prior round.

An example of when an application would be withdrawn or refunded is if there were multiple applications for the same string. We've talked a lot about the program development, but that's a key cost that we will talk about and the differences in option one and option two.

Things that are included in the program development are things such as the system infrastructure, outreach and awareness, staffing and operational support, initial and an extended evaluation, it's assumed to be fully proportional to the number of applications.

We'll also talk about the program operations. Those program operations do differ in option two, given that we would be investing less upfront and therefore needing more staffing to process applications.

And then lastly, a key component of the application fee is a contingency or essentially a placeholder assumption that we have for unknown costs. This is something that we did in the prior round and look to do again.

If we move to the next page, here are just some of the complexities that we've been talking about on the call today that ultimately create operational challenges and help drive the cost to be what it is. When we look at the financials, the financials reflect all of the scope, all of the policy recommendations and everything that we've been discussing today. And when you think about the first one here, this is a big constraint, not understanding the application volume or demand creates a financial challenge for the organization to make upfront development costs without knowing how many applicants will apply later to cover those costs. It also creates operational challenges in

understanding what type of systems to develop and staffing for the program.

Some other complexity drivers that we've noted here, string contention, appeals mechanism, the registry voluntary commitments, registry service provider pre-evaluation, developing that. Ultimately, it may result in lower evaluation costs, but does create upfront complexity.

String changes, applicants being able to change their applied for string creates potential for rework and new issues throughout the process. And then lastly, the GAC advice process is broad in scope, and low in predictability, which ultimately results in high resource demand and challenges in developing.

If we move to the next page here, this is an overview of the costs. And the various columns we have here represent the options that we've been discussing. So the first here is called option one or high automation. This one would result in higher development costs. You see that in the program development line of $110 million. Option two is a batching scenario, alternative scenario that we've discussed, roughly 50% reduction in the program development costs, those would be 53 million.

And then we've also included a comparison to the 2012 round. This includes all the costs that we've incurred to date, as well as some projected costs to process those remaining applications because the round has yet to close.

Starting from the top, you can see here that we have made an assumption on the number of applications, this is purely a working

assumption that we have of 2000 applications, that would be the same in either scenario. Next, we have the applicant fees or the funding that ICANN would receive from this, and you see that it's higher in option one compared to option two. That is due to the fact that the costs are higher in option one, therefore, we would charge a higher price. And under both scenarios, this is a cost recovery program so the cost per application is purely derived by the cost of the program.

Next, you can see here that we have made an assumption for the cost associated with the applicant support program that's projected here at $2 million. And then we have the refunds. Those are projected at a similar rate, but the dollar magnitude is higher in option one due to the fact that the application costs will be higher.

The next area of costs we have here are the development and implementation costs. And regardless of the scenario, the costs for the ODP and the work that has essentially got us to this point would be the same. We project that to be $8 million. We also project the same cost for policy and IRT and then you can see here the big difference in the program development. A key driver in the development cost being lower is around the system and the level of automation and features that would be included in option two versus option one. And our next presenter will go through that in more detail.

You can see here the comparison of how these costs compare to the prior round. And in 2012, we did not have this same structure. But overall from a development and implementation standpoint, the costs were $32 million. And we've noted some of the reasons that the cost in either scenario would be higher. Inflation is a key one. But ultimately,

new procedures and complexity and things like that that were not there are driving the cost to be higher.

The next area we have here is the operating costs. And these first three are the same in option one versus option two. These are the evaluation costs, quality control and pre-delegation. These costs would be outsourced primarily and are not impacted by the development that we would do in either option one or option two. So you see that they're essentially the same, they are the same in option one and option two.

When comparing those against the 2012 round, you can see a slight uptick in the quality control and the pre-delegation. That's primarily due to inflation. At this point, we've yet to engage with any vendors. But these are just our working assumptions.

You can see a reduction in the initial and extended evaluation compared with the 2012 round as we've made assumptions here that there are some efficiencies and lower costs as it relates to things such as financial and technical evaluations.

Program operations, this is $176 million in option two, and about $7 million higher than option one. This is due to the fact that as a result of investing less upfront in system automatization, we would have other staffing and operational costs to absorb some of that later. That contingency is—the placeholder for unknown costs would be the same in either scenario. And you can see here overall, this would bring the projected costs under option one to be $457 million and $407 million in option two.

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The next line here we have is investment income. This has yet to be projected, but this would be invested similarly to the way we did in the 2012 round. ICANN has an investment policy and did invest those funds because we collect them upfront and then incur the costs or the efforts to process the applications that occur over time. So we would do that again. But at this time, we have yet to make a projection on what the income would be.

And you can see here the remaining funds under either scenario is zero. And that is due to the fact that we have assumed a cost recovery program. In the 2012 round, you can see here that based on the projections we have today, the remaining funds for that round are $54 million. And those funds are being used to get this program started essentially and the costs that we're incurring today.

Lastly, you can see the application fee on the bottom. And this is ultimately the estimated application fee. Depending on the application type, the cost could be higher or lower. This is essentially an average. But a situation that would dictate a higher application fee would be an applicant that would not be using a pre-approved registry or a CPE. Whereas if those were not the case, the fee would be lower. So this concludes the financial section and at this point, I'll pass it to Steve Allison to go through the system in more detail. Thank you.

STEVE ALLISON: Thanks, Shani. I know we're a little pressed to catch up on time. So I'll try to be efficient here. Next slide please. Excellent. So this is Steve

Allison, lead product manager for ICANN's engineering and IT function. I'm going to go through the systems portion of the slides.

Just to frame the work that we did for the assessment, the engineering team went through all of the outputs and worked closely with their business partners on the production of the business process design. And we used that to come up with the respective service architecture and list of discrete IT projects that we could size both in terms of resources needed and estimated time to completion.

So on the slide, option one represents a fully transactional system taking into count all of the requirements and guidance. And this is our baseline solution. Because of the previous round being largely unusable in terms of the systems that were developed, we have 18 new IT services that we would have to build or source over a three-year period plus ramp-up time to bring on board the staffing resources or outsource resources that we would leverage in the build out.

And it's in the $40 to $54 million range. And that includes everything from the resources and headcount that we would need, as well as the software licensing and all of the admin overhead.

We understand that the costs and the timeline is quite high. So we asked ourselves, what can we do to make it faster and cheaper? And that's what option two is all about. Again, at least from an engineering perspective, option two is our MVP. It's the most minimal product that we can build without making it unviable. So we considered only what IT services would be absolutely critical to keep.

So what we have is, of the 18 original services, we still think that eight are essential than they do require engineering and system support. And this includes things like registry service testing or application intake systems where it would be unrealistic for us to operate the program without these systems in place.

So in summary, two systems require full implementations, which is the same as option one, no cutting of scope at all, six services still essential, but functionality could be removed from scope. And then 10 of them, we think we could cut either fully or almost entirely so that it had nominal impact on the total cost and timeline.

So just to be really clear, when we're talking about option two cutting the scope, cutting that scope, what we really mean is removing engineering automation support from the baseline processes. The business services would still be expected to be provided to the community, it's just that it would shift a lot of the responsibility back onto our business partners to do manual processing or find limited tool sets to help them in their processing.

So the result of option two is a reduced footprint for E&IT, both the implementation timeline and our cost projections are reduced down to 18 months and $12 to 16.5 million. And just to note that both option one and option two are dependent on AGB and policy development to proceed and in a timely fashion so that we get clean and clear requirements throughout the implementation process. Next slide.

So I'm not going to cover all of these services. But just to give you a glimpse at what the differences look like in option one and two, at a

high level. These are the services as we understand them today. More details about the descriptions of these services and how they fit together in our proposed architecture is in the ODA, you can find it partially discussed in the system section as well as appendix nine. So I'll just leave that. I know our time is short today. But just to give you a glimpse of what we are envisioning. Thank you.

And then the last slide from the system side. Some of the pros and cons. I think we've addressed a lot of this today on this call. But for one big round, option one, obviously the fully transactional system, it will take longer for us to onboard and build out the infrastructure. So there's some lead time there before you're able to open the round or at least open it and then begin the processing. And we've heard of some of the financial risks and taking on the sizable investment before the demand is known. But on the pro side of it, you have a system that is an enterprise system that can handle multiple rounds and not have the high resource costs from round to round.

And then on option two, it's almost the exact opposite is we reduce the IT footprint so we're able to launch and open the round more quickly. But there's less automation and self-service capabilities for our users and increases resource responsibility on our business teams for processing and for capacity. So with that, I will, I believe, hand over to my colleague, Lars to talk about policy timelines.

LARS HOFFMANN: Thank you, Steve. And we had two questions. I don't see any hands up. This is just a few slides left so I suggest we move to the questions at the

end, we have a longer session of questions at the end. Leon, the next slide, please. One more please.

So I'm going to be talking for the next two slides on what we coined a policy implementation. In other words, drafting and approving the applicant guidebook. In option one, you will see this, my colleague, Chris will give you an overview timeline of all the processes that need to take place for either of the two options.

So option one, we basically think we need about two years, 24 months to get the applicant guidebook ready as a whole. This takes into consideration that there's some outstanding work that is ongoing at the moment. Closed generics, applicant support, the IDN EPDP. The outcomes of those, if any, would feed into obviously the policy that then is implemented in the applicant guidebook. And other topics my colleagues talked about, obviously, the private auctions as well, finalizing and getting the applicant support program into place, RSP pre-valuation into place after about 18 months to give some runtime before the round opens.

So that brings us to about, as I said, 24 months for an applicant guidebook to be ready for public comment. And then you see here we estimated roughly between six and eight months for public comment and Board acceptance or approval of the applicant guidebook. And obviously, we need a four-month gap before the round can open here. You see that on the top here, recommendation 12.8 was very explicit about that. And it makes sense for obvious reasons.

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So that is the time that we started off with. And then my colleagues talked about the genesis of the option two and obviously one of the goals was to kind of condense the timeline down. So while Steve spoke about a different system for option two with fewer capabilities for the applicant guidebook, in principle, obviously, it needs to contain the same kind of policy regardless of whether we do it in 24 or 32 months, if you see here until Board approval [inaudible] 18 months until the opening of the round.

So that's illustrated kind of on the next slide on option two. One further, please. Thank you. So if we kind of take that 18 months as a starting point from the moment the Board says "Go implement" to the opening of the round, that would then mean that after 14 months, we have to have the applicant guidebook approved by the Board and kind of work back from that to kind of say okay, if we want to do that, then we really have to work together with the community as a whole to try to pursue that goal, have an applicant guidebook potentially ready after 10 months, or sorry, have some of the dependencies decided on or issues resolved maybe after 10 months and have the applicant guidebook ready for public comment after 11 months, which then gives about three months, you see that here, for a public comment and Board approval bringing us to I started 14 months with a four-month gap before the applicant guidebook opens.

In principle, obviously, Karen spoke about that earlier. Policy outputs would be the same. Maybe there would be some discussion around streamlining this in terms of implementation guidance. But the goal certainly is here to have the applicant guidebook look very much the same whether it's option one or option two, just here in option two, the

timeframe would be condensed. Donna, do you mind holding the question to the end? There's just two more slides from Chris. Otherwise, obviously, now is fine too.

DONNA AUSTIN: That's fine, Lars. Thanks.

LARS HOFFMANN: Appreciate it. Thank you. Chris, if you take it from here.

CHRIS BARE: Yeah, thank you very much. I think there's only one slide for me. We can go to the next slide. This is a comparison of the two timelines. So we've talked about option one. And we've talked about option two. And you can see option one shows a five-year implementation plan, followed by operations with a single application window. Option two shows an 18-month implementation plan with four separate application windows and an annual cycle.

If you look under the implementation phase, for each of them, you'll see four stages. And Lars just talked about the policy implementation, the actual development of the AGP. But there's three other ones as well. There's the program design, which would actually be creating all those internal processes and the light that we would need to deliver on those outputs. There's the infrastructure development, which is heavily what—the system development that Steve talked about, but there's some other aspects of capacity building or a capability building we would have to include in that as well.

And then operationalization, which is the actual codification of those procedures, the training, the hiring, all that to get in place to be able to launch the application window.

You'll also see that the applicant support program and the RSP pre-evaluation program are also in there. And those are both intended to launch before the next application window opens. So you can see that in the second option, there's a very compressed timeline of all those activities occurring in a much shorter timeframe. Obviously, there's difficulties in doing that that need to be overcome. The likelihood of many more strings of activity going on at the same time in order to be able to deliver on that.

There's more information about this in the ODA. There's a whole timeline section and more of a description as to what each of those stages entails. Mainly, we wanted to visually show you what this looks like in comparison, option one to option two. Right. Thanks so much. Think I'm throwing it back to Karen at this point.

KAREN LENTZ: Thank you, Chris. So we are at the end of the presentation portion with about 20 minutes left. So the floor is open. And we'll go to Donna first.

DONNA AUSTIN: Thanks, Karen. So just obviously, Karen, your team has grown much larger than when you probably started this effort, which is terrific. My question is, will your team continue to shepherd this through the IRT,

guidebook development and the remainder of the processes? And if it's not your team, who would be doing that?

KAREN LENTZ: That's an easy question. To answer is yes. So the people you see on this call will be the ones who are shepherding the next part of the process.

DONNA AUSTIN: Okay, well, personally, I think that's great for consistency reasons. And you've obviously developed a good team. So I think that's good news. Thanks, Karen.

KAREN LENTZ: Thank you. Jonathan. You're up next.

JONATHAN ZUCK: Thanks, Karen. I guess this question might be for David Allison. But I'm not sure. And I guess my question is the extent to which the systems implementations that need to take place for these two options, the extent to which that work will displace work that's otherwise taking place like ITI and things like that that are currently underway and a lot of folks are waiting on. I'm curious, is it all just external resources and you've just got to go out to the RFPs with it or something, or is will there be an impact on existing IT priorities?

STEVE ALLISON: Yeah, thanks, Jonathan. It's a good question. And obviously, the plans aren't fully defined on this, but the expectation is that the majority of the implementation work will be outsourced to partner vendors. There are some internal resources that will be expected to be on the core team and have some oversight. But the implementation delivery team itself would be expected to be outsourced. So the implementation and delivery team would be largely outsourced.

There are a couple supporting teams that need additional resources. Things like the public website might need some additional headcount to support us on building out some of that functionality and some of that content, but minor in the grand scheme of things when we're looking at those services.

KAREN LENTZ: Thank you, Steve. And thank you, Jonathan. I don't see any other hands. I'll give it a minute, see if there are other questions. Donna, go ahead.

DONNA AUSTIN: Thanks, Karen. So the ODA has been delivered to the Board, I assume. So what's the expectation for the Board making a decision? Is it imminent?

KAREN LENTZ: Well, I cannot speak for the Board. But here's what I can tell you. The Board has been getting the briefings on the ODA over the last couple of weeks. And in addition, the Board has a SubPro caucus that you've probably heard me mentioned before, that has been working with us

consistently over the course of the ODP. So the Board is pretty well up to speed with all of this work. And really, the delivery of the ODA now sort of puts the ball in the Board's court for their deliberations as far as next steps. So I think the ODA is out now for people to read and absorb. We have a holiday period coming up. And then I think we'll be all coming together, the Board, Org and community to get moving on next steps in the coming year. Jonathan, you are next.

JONATHAN ZUCK: Thanks. My other question—and this is just me being lazy because I haven't tackled the big 400-page document yet. But I was wondering what discussion took place in the ODA and what conclusions were drawn with respect to auctions in either option one or option two. Feels like another kind of disputed output from the subsequent procedures working group with a lot of public comment on the issues associated with private auctions, the potential benefits of Vickrey auctions and things. Did any of that become in-depth discussions as part of the ODA?

KAREN LENTZ: Sure, thank you, Jonathan. There are really two parts to the auction topic. The first is the format of the auction, which type of model is used. There were some deliberations in the PDP on that and not all of the potential recommendations got consensus on that. We have assumed though in our design that we're continuing to use an auction process as the mechanism of last resort for resolving contention.

With regard to private auctions or private forms of resolution, Isabelle talked about that in the earlier section as being one of the seven issues

that we thought it would be likely that the Board might want to take some more time to look at, particularly because the SubPro also didn't reach consensus on a recommendation around that. So that's one of the areas that we've identified as possibly ripe for more discussion. Thanks.

All right, since we have time, I'm going to thank everybody for attending the webinar for all of your questions. It's great to see the interest. And as we did previously, we have captured all of the questions that we got in the chat. We'll create a record of those questions and responses and publish that on the same page as the webinar materials. And then I will turn it over to Leon to close the call.

LEON GRUNDMANN: Thank you, Karen. This concludes today's community webinar on the new gTLD subsequent procedures operational design assessment. Enjoy the rest of your morning, afternoon or evening. Goodbye. And please end the recording.

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