

# New gTLD Program: Next Round Community Discussion on Contention Set Resolution Briefing Document

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# Context

With the adoption of the scorecard [GAC Advice – ICANN80 Kigali Communiqué: Actions and Updates \(29 July 2024\)](#) confirming its acceptance of item 2a(ii)<sup>1</sup> of the Governmental Advisory Committee’s [ICANN80 Kigali Communiqué](#), the Internet Corporation for Assigned Names and Numbers (ICANN) Board [directed](#) ICANN org to conduct a community discussion on the resolution of “contention sets” in the next round of new gTLDs. Groups of applied-for strings that are either identical or similar are called “contention sets.”

## Participation

This community discussion is open to anybody in the community. Would-be participants must, when submitting [this form](#) (or similar), agree to abide by the [ICANN Expected Standards of Behavior](#), and sign in to Zoom using their full name.

Two meetings will be held, on 13 and 14 August 2024 at 13:00-15:00 UTC.<sup>2</sup> Calls will be held on Zoom. All recordings will be published on the dedicated [wiki workspace](#).

## Scope

The goal of this discussion is to consider which mechanisms could be used to resolve contention sets in the New gTLD Program: Next Round of new gTLDs. The mechanism(s) used need to be consistent with existing policy, operationally viable, agreeable to the community, and not have an impact on the timelines stated in the [Next Round Implementation Plan](#).

To ensure the concerns expressed in the ICANN80 Kigali Communiqué and related Advice are adequately addressed, the discussion will be structured to focus on two issues:

1. Alternatives to private auctions for the voluntary private resolution of contention sets by applicants.
2. Alternatives to the ICANN auction of last resort (ALR) as the mechanism to resolve contention sets in the absence of any private resolution.

## Roles and Responsibilities

- ICANN org will facilitate the discussions and contribute when needed.
- Participants will contribute to the discussions and provide substantive input.
- The ICANN Board may ask questions and seek clarifications from participants.

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<sup>1</sup> “The GAC advises the Board: [...]

ii. To urgently initiate a focused community-wide discussion (including with the GAC and ALAC) on the resolution of contention sets, with a view to finding alternatives to private auctions and ICANN auctions of last resort, before the ICANN Board takes any action in a manner that may be inconsistent with the ICANN77 Washington D.C. Communiqué GAC Consensus Advice.”

<sup>2</sup> Two additional meetings, which will be held only if additional time for discussion is needed, are scheduled for 21 and 22 August 2024 at 13:00-15:00 UTC.

## Next Steps and Timeline

The Board will take into account all inputs raised during the discussion into account when considering contention set resolution during its workshop in September.

## Considerations

ICANN org encourages all participants to consider the following factors in the course of their discussions on alternative approaches to the issue of contention set resolution:

- Potential impact on other parts of the New gTLD Program, e.g. funding for the Applicant Support Program;
- Compatibility with Board-adopted consensus policy relating to the New gTLD Program;
- Potential to result in disputes and/or raise legal/regulatory issues or considerations;
- Budgeting and resource implications;
- Potential impact on the timelines stated in the [Next Round Implementation Plan](#).

# Alternatives to private auctions for the voluntary private resolution of contention sets

## Background

One of the key topics related to the New gTLD Program: Next Round is string contention resolution. During the 2012 gTLD application round, where there was more than one qualified application for the same or similar strings (contention), mechanisms including Community Priority Evaluation (CPE) for community applications and ICANN Auctions of Last Resort (ALR), an ascending-clock auction administered by an ICANN-contracted auction service provider, were available to resolve contention between a group or set of applicants and decide and decide which applicant would be selected to operate the proposed new gTLD.

Applicants could also opt to voluntarily resolve contention privately amongst themselves, a process known as private resolution. By their very nature the details of many voluntary private agreements between applicants are unknown. However, there are numerous ways in which applicants might agree to resolve a contention set, involving both monetary and non-monetary means, such as private auctions, direct payments, payments in kind, bartering, or preferential business arrangements.

## Private Resolution in the 2012 Round

Private resolution of contention sets was encouraged in the 2012 round. When an application had been placed into a string contention set, the [2012 Applicant Guidebook](#) (AGB) encouraged applicants “to reach a settlement or agreement among themselves that resolves the contention.” This was consistent with the [2007 GNSO implementation guidance](#), in which applicants were permitted to “resolve contention between them within a pre-established timeframe”.

Private resolutions were commonly used to resolve contention sets in the 2012 gTLD application round. Out of a total of 234 contention sets in the 2012 round, only 16 [contention sets](#) used the [ALR](#). One commonly reported method of private resolution was to hold a “private” auction (an auction that was not administered by ICANN) in which proceeds were divided between the applicants participating in the private auction, unlike in the ALR, in which the proceeds went to ICANN. Though not the only form of private resolution, the use of private auctions provoked discussion within the ICANN community. While some in the community supported their use, others expressed concerns, noted in the [Supplemental Report on the new gTLD Subsequent Procedures Policy Development Process](#), that permitting the use of private auctions in future application rounds would incentivize the submission of applications with the sole intent of participating in private auctions for profit - not to operate a new gTLD.

## Private Resolution in the SubPro Final Report

The Subsequent Procedures Policy Development Process (SubPro) PDP Working Group (WG) considered the issue of private resolution in its 2021 [Final Report](#). [Affirmation with Modification 35.1](#) states that applicants may “resolve contention between them within a pre-established timeframe in accordance with the Applicant Guidebook and supporting documents”. [Recommendation 35.2](#) confirms that the Applicant Guidebook “must reflect that applicants will be permitted to creatively resolve contention sets in a multitude of manners, including but not limited to [...] private resolutions (including private auctions).” [Recommendation 35.3](#) provides a non-exhaustive list of factors that ICANN may consider in determining whether an application was submitted with a bona fide (“good faith”) intention to operate the gTLD. In a similar vein, [Recommendation 35.5](#) stipulates “Contention Resolution Transparency Requirements” for applicants who resolve privately to disclose certain information, including the names of all parties involved.

The majority of these recommendations were eventually adopted by the Board following its deliberations on the Final Report Outputs. The sole exception was Recommendation 35.2. The SubPro PDP WG did not reach consensus on this Recommendation, which was therefore not adopted by the GNSO Council. Recommendations 35.3 and 35.5 were also only adopted by the Board in September 2023 following consideration of a clarifying statement from the GNSO Council, which the Board noted, “confirms that the references to private auctions in Recommendations 35.3 and 35.5 merely acknowledge the existence of private auctions in 2012 and should NOT be seen as an endorsement or prohibition of their continued practice in future rounds of the New gTLD Program.”

The Final Report also sets out specific scenarios in which a change to an application can be used to resolve contention. [Recommendation 20.6](#) allows application changes “to support the settling of contention sets through business combinations or other forms of joint ventures”, while [Recommendation 20.8](#) permits .Brand TLDs to “change the applied-for string as a result of a contention set,” subject to certain restrictions.

## Community concerns

The ICANN Board has received correspondence from the ICANN community and advice from certain Advisory Committees on the approach to the private resolution of contention sets noted in the Final Report. Most recently, in its [ICANN77 Communiqué](#), the GAC issued advice to the Board to “ban or strongly disincentivize private monetary means of resolution of contention sets, including private auctions.” The GAC later built on their advice in the [ICANN80 Communiqué](#), indicating that the Board should “prohibit the use of private auctions in resolving contention sets” and “urgently initiate a focused community-wide discussion (including with the GAC and ALAC) [...] with a view to finding alternatives to private auctions [...]”. Similarly, the ALAC issued [Advice](#) to the Board on 21 June 2024, stating its request that the Board “ban all forms” of post-application private resolution of contention sets, except in cases of competing CPE applicants. This elaborated on earlier [Advice](#) submitted by the ALAC on 16 April 2021, which had called only for a ban on private auctions, to which the Board responded on [22 May 2023](#).

## ICANN Board considerations

The Board recognizes the differing views on the issue of private resolution of contention sets within the ICANN community. In a [blog post](#) on 3 June 2024, ICANN Board Chair, Tripti Sinha, stated that in light of this fact “the Board is not inclined to sanction a repeat of the 2012 process when private resolutions were encouraged in the Applicant Guidebook.”

Subsequently, in its resolution on 29 July 2024 the ICANN Board [accepted](#) GAC Advice Item 2a(i) which called for a prohibition on the use of private auctions. The Board also accepted Advice Item 2a(ii) and directed ICANN org to conduct a community discussion on the resolution of contention sets in the next round of new gTLDs.

In an attempt to better understand how to reconcile the viewpoints of those in the community opposed to monetary private resolution with the adopted recommendations in the Final Report allowing the practice, the Board engaged auctions experts in the National Economic Research Associates (NERA) in order to explore a path forward. The Board is still considering NERA's [proposals](#) as part of its overall consideration of private resolution of contention sets.

## Issues

- By accepting the GAC Advice Item 2a(i) of the [ICANN80 Communiqué](#), the ICANN Board has effectively prevented a repeat of the 2012 gTLD application round process, in which private auctions were both permitted and commonplace.
- In response to the GAC advice calling for the prohibition of all forms of monetary private resolution, the current intention of the Board is to initiate the process required for Board-GAC Bylaws consultations when the Board intends to take an action that is not consistent with the GAC's advice. The GAC Advice Item 4a(ii) in the [ICANN77 Communiqué](#) could be seen to not align with the Board adopted [Recommendation 20.6](#) from the Final Report, which allows for the formation of joint ventures or other forms of business combinations to resolve contention sets. The [June 2024 ALAC Advice](#) to ban, in almost all cases, “joint-ventures regardless of claims as good-faith joint ventures” is also incompatible with Recommendation 20.6. Joint Ventures are also considered a form of private resolution, as they usually involve the exchange of money or other items of value, such as business shares, among the participating parties.

## Potential alternatives to private auctions for the private resolution of contention sets - for discussion purposes

ICANN org has considered a number of possible alternatives to private auctions for the private resolution of contention sets, some of which are presented with considerations in the following section. These options have been included to assist community discussion and should not be regarded as exhaustive or prescriptive. **The options provided should not be seen as an endorsement by ICANN org of their merits or feasibility.**

## Option 1: Ban all forms of private resolutions

Noted as an option in the NERA [report](#), all forms of private resolution between applicants would be prohibited, not just private auctions. If this option were implemented, other than CPE, ICANN org would use the ALR, or another chosen method, as the exclusive mechanism to resolve contention. Applicants would be allowed to apply as joint ventures, but communication and coordination regarding contention resolution would be prohibited after the application period. This is recognized by NERA as the standard approach to the issue in many public sectors around the world and most industries.

### Considerations:

- This measure would reduce or eliminate the private monetary resolution of contention sets, in line with GAC Advice Item 4a(ii) from the [ICANN77 Communiqué](#). It would also align ICANN with the mainstream practice among governments and companies. Transparent and fair, this option would result in increased use of ICANN resolution processes and limit the opportunities for unsuccessful applicants to profit from proceeds otherwise destined for the ICANN ALR.
- Prohibiting the post-application formation of joint ventures altogether, however, is incompatible with Recommendation 20.6, which permits joint ventures or business combinations to resolve contention. It would also be difficult to enforce, requiring ICANN to determine and enforce punitive measures should an applicant be found to have engaged in private resolution outside of the ICANN process.

## Option 2: Post-application joint venture formation as the only accepted form of private resolution

Consistent with [Recommendation 20.6](#), ICANN proposes to allow the formation of post-application joint ventures to resolve contention. Parties to such joint ventures would be required to submit an application change request, which could require reevaluation of the changed application. All other forms of private resolution would be prohibited. The Board has asked the ICANN org to evaluate possible additional program governance and operational features, such as minimum criteria for joint venture structure, stipulations on whether all members of a contention set must participate in the joint venture, and charging a reserve fee to administer the joint venture. All non-monetary side payments could also be prohibited.

### Considerations:

- This option would satisfy Recommendation 20.6 by permitting the formation of a joint venture to resolve contention. The imposition of reserve fees and other program criteria could potentially be used to disincentivize the formation of joint ventures while still permitting their use, partially addressing community concerns over the continued use of private resolution.
- There is a risk that joint ventures may be formed or forced purely to avoid the ALR. This option also does not eliminate the risk of applicants using monetary or side payments to



support joint venture formation, nor does it prevent joint ventures being dissolved or restructured after the gTLD has been delegated. ICANN would also need to decide and set any minimum criteria needed.

### Option 3: Allow string-change to resolve contention

[Recommendation 20.8](#) allows only .Brand TLD applicants to “change the applied-for string as a result of a contention set”. As an option, ICANN org will engage with the community to initiate a process through which, eventually, all applicants who do not wish to - for financial or other reasons - participate in a private resolution or ALR can submit an application change request and change their applied-for string to resolve contention.

#### Considerations:

- This option does not conflict with Recommendation 20.6, or rule out other forms of private resolution. It could potentially reduce the number of contention sets, curtailing and or/disincentivizing the desire to engage in monetary private resolution. It may also increase the number of gTLDs that are eventually delegated, increasing competition and consumer choice, while giving all applicants parity with .Brand TLDs in their ability to resolve contention. Greater flexibility in this regard could also address contention set resolution in the case of singulars and plurals<sup>3</sup>.
- This option is not supported by a Final Report recommendation as the SubPro PDP WG could not reach consensus on the issue. As noted in the Final Report, those supporting the ability of an applicant to change their applied-for string argued that it could be “an effective means for eliminating contention while avoiding the need for an ALR.” Potential limitations and caveats were also considered; for example, stipulating that a string-change must not create or join another contention set, or that the new string must be closely connected to the original string. Opposition to the proposal cited concerns that it may encourage applicants to “game the system” by allowing applicants opting to change their string to “cherry-pick” uncontended strings, conferring an unfair advantage compared to other applicants, as well as other potential negative impacts on the overall application process. However, the absence of an agreed policy does not preclude revisiting the issue to gauge whether there is now sufficient support to proceed, in the knowledge that the work required to develop appropriate criteria and gain approval from the GNSO Council/Board may take a considerable amount of time and impact [stated timelines](#) for the Next Round.
- As noted above, permitting string change for all applicants may add complexity and potential costs to the application process, as some review processes may have to be repeated once string has been changed. There might also be questions of fairness, as applicants changing strings could be seen to have an unfair advantage, given that they will know what other strings have been applied for at the time of changing.

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<sup>3</sup> The issue of how to treat singular and plural versions of the same word, in the same language, within the New gTLD Program: Next Round continues to be discussed within the GNSO Council’s Small Team+; see <https://community.icann.org/x/bwKfE>.

# Alternatives to the ICANN Auction of Last Resort as a mechanism to resolve contention sets

## Background

GNSO Implementation Guideline F from the [2007 policy recommendations](#) did not specifically reference auctions or any other method that should be used to resolve contention. Accordingly, based on an [analysis](#) of a number of potential mechanisms to resolve contention, ICANN chose an auction of last resort (ALR) as the method to resolve contention, with Section 4.3 of the [AGB](#) confirming that an “[a]uction is a tie-breaker method for resolving string contention among the applications within a contention set, if the contention has not been resolved by other means.”

## Auctions of Last Resort in the 2012 Round

The auction procedures used in 2012<sup>4</sup> were based on an [ascending-clock auction](#) methodology, which used a second-price method. Auctions were held online and conducted in timed rounds. Each round had a formal bidding ceiling and every candidate could make one bid per round, not to exceed the agreed-on maximum. All bidders that entered an auction knew each other’s identity. The highest bidder of the round won, paying the price of the second highest bidder. Out of a total of [234 contention sets](#) in the 2012 round, only 16 contention sets used the [ALR](#).

## Auctions of last resort in the SubPro Final Report

[Affirmation with Modification 35.1](#) of the [Final Report](#), which was [adopted](#) by the Board in [March 2023](#), states that, in case of a contention set, in the absence of a private resolution or prevailing community applicant, “contention will be resolved through an ICANN Auction of Last Resort.”

Following discussions within the SubPro PDP WG over adopting an alternative method to conduct the ALR, [Recommendation 35.4](#) states that the ALR “must be conducted using the second-price auction method”. However, in the absence of consensus support amongst the SubPro PDP WG for this methodology, Recommendation 35.4 was not approved by the GNSO Council and therefore not considered by the Board.

[Recommendation 35.5](#), which was [adopted](#) by the Board with GNSO Council-Approved Clarification in [September 2023](#), outlines Contention Resolution Transparency Requirements for ALRs.

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<sup>4</sup> For more information on auctions in the 2012 round, please refer to <https://newgtlds.icann.org/en/applicants/auctions>.

## Community concerns

As noted in the [Supplemental Report](#), opposition to the ALR was in part motivated by the belief by some members of the SubPro PDP Working Group that the mechanism privileged financial means over principles of community and diversity in the TLD ecosystem. The ALR is also regarded by some in the community as problematic for applicants to the [Applicant Support Program](#), who are likely to be disadvantaged when competing against better-resourced applicants in an auctions format.<sup>5</sup>

In its [ICANN77 Communiqué](#), the GAC issued Advice to the Board to “take steps to avoid the use of auctions of last resort in contentions between commercial and non-commercial applications”,<sup>6</sup> suggesting that “alternative means for the resolution of such contention sets, such as drawing lots, may be explored.” The GAC expanded on this Advice in its [ICANN80 Kigali Communiqué](#), asking the Board to initiate a community discussion to find alternatives to the ALR altogether.

In its [April 2021 Advice](#) to the Board, the ALAC placed on record its opposition to adopting the second price, sealed bid auction described in Recommendation 35.4, instead advocating use of the Vickrey method. The ALAC repeated this request in its [June 2024 Advice](#), recommending “auction process methodology comparable to a Vickrey Auction (sealed-bid second-price auction)” requiring “each gTLD string application to be accompanied by an auction bid at the time the application is submitted, and prior to any indication of possible contention sets being formed.” The ALAC believes that such a measure would help applicants demonstrate bona fide intention to operate a TLD, “mitigate, if not eliminate”, gaming or abuse of the application process, and potentially allow ICANN org opportunities to reduce application evaluation costs. Other parts of the community disagree, however.

## ICANN Board considerations

In its [response](#) to the GAC ICANN80 Kigali GAC Communiqué, the Board noted that alternatives to the ALR were discussed at length by the SubPro PDP WG and that it is “not confident that additional community discussion on this topic will result in a different outcome.”

The Board understood the GAC’s Advice in the ICANN77 Communiqué to apply strictly to contention sets involving commercial and non-commercial actors. The Advice contained in the ICANN80 Communiqué, however, appears to call for ICANN to find alternatives to ALR in all cases. The Board does not understand the public policy interest served by prohibiting the use of ICANN Auctions of Last Resort in the context of contention sets involving only commercial

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<sup>5</sup> This was foreseen by the SubPro PDP WG who addressed the issue in Recommendations 17.15-17.17 of the Final Report, with 17.15 noting that “If an applicant qualifies for Applicant Support and is part of a contention set that is resolved through an ICANN Auction of Last Resort, a bid credit, multiplier, or other similar mechanism must apply to the bid submitted by that applicant.” Work on implementing these recommendations is currently underway.

<sup>6</sup> The Board has concerns with aspects of GAC Washington Advice concerning its position on auctions relating to Commercial vs Non Commercial applications. The Board has submitted clarifying questions to the GAC on this issue concerning its Kigali Advice, and notified the GAC of its intent to initiate the By-Laws mandated consultation period, which the Board intends to undertake in September 2024.

actors. Auctions of this sort are a tried and true, easy to implement mechanism for allocating resources and are commonly used for this purpose by governments around the world. The Board understands concerns regarding disadvantaging applicants with limited resources but notes that Auctions of Last Resort are a potential source of support for the Applicant Support Program, and could provide funding to offset such disadvantages. The provision of a bid credit/multiplier is also anticipated to support successful ASP applicants who are part of a contention set that is resolved through an ALR.

In light of these reservations, and to “minimize the impact of this Advice on the Next Round timeline” the Board [resolved](#) on 29 July 2024 to accept Advice item 2a(ii) of the Kigali GAC Communiqué and facilitate an expedited virtual community consultation on this issue.

## Issues

- There is no clear consensus in the ICANN community on an alternative approach or auction methodology to the process employed in the 2012 round.
- Most of the identified alternatives to the ALR were discussed at length by the SubPro PDP WG without clear support or consensus being achieved.
- Confirmation is needed on whether the GAC Advice on avoiding use of the ALR in Item 4a(i) of the [ICANN77 Communiqué](#) refers only to contention between commercial and non-commercial applications or is intended to apply to any use of the ALR to resolve contention, especially as it relates to Item 2a(ii) of the [ICANN80 Communiqué](#). However, the Board has publicly [noted](#) concerns with the feasibility of implementing the GAC's advice. Analysis by ICANN org suggests that distinguishing between commercial and non-commercial applications may be impracticable and/or require additional policy development, as this distinction is not defined in the Final Report and ICANN org does not review business plans as part of the gTLD application process.

## Potential alternatives to the Auction of Last Resort as a mechanism to resolve contention sets - for discussion purposes

ICANN org has considered a number of possible alternatives to the use of the ALR to resolve contention sets, some of which are presented with considerations in the following section. This input has been included to assist community discussion and should not be regarded as exhaustive or prescriptive. **The options provided should not be seen as an endorsement by ICANN org of their merits or feasibility.**

### Option 1: Use of an alternative auction method

Rather than the ascending clock/second price method used in 2012, an alternative ALR system could be used to address the community's concerns, such as the Vickrey Method, or a sealed bid, second price auction as described in Recommendation 35.4 of the Final Report.

**Considerations:**

- Depending on the method chosen, the auction process could potentially be made more efficient by mitigating differences between the social and economic circumstances of applicants. The use of a sealed bid system may reduce the time taken to resolve contention sets and be less susceptible to gaming. The alternative auction models proposed are also widely used throughout various industries and reduces the risks involved in developing a bespoke solution.
- There is no policy basis for employing an alternative auction format, as Recommendation 35.4 was not adopted by the GNSO Council. The lack of community consensus on an alternative method may entail lengthy discussions that will impact the Next Round timeline. Moreover, a different type of auction might still be a mechanism that favors the applicants with greater resources, and does not automatically address concerns over the treatment of Applicant Support Program applicants or lower resourced applicants.

## Option 2: Avoiding Auctions of Last Resort between certain types of applications

Under this option, ICANN would retain the ALR but prevent its use in contentions involving certain types of applicants, such as commercial and non-commercial applications as per the GAC's ICANN77 Communiqué, or ASP supported applicants. An alternative contention resolution mechanism would be used in such cases.

**Considerations:**

- Limiting or avoiding the use of the ALR between certain types of applications, such as commercial and non-commercial applications as proposed by the GAC, or in contention between ASP supported applicants, could help address community concerns over resource/bidding power imbalance. An alternative method could be chosen to resolve contention between such applications. This method could be chosen to support or further specific goals, or influence the outcome of the contention process, for example, using evaluation criteria, or employing a non-monetary mechanism, such as random selection.
- Other than in contention sets involving qualified CPE applications, avoiding the use of the ALR to resolve contention is not recommended by the Final Report. Criteria to establish which applications should be exempt would need to be established, which may lead to potential pre- and post- implementation challenges and disputes. An alternative method of resolving contention would also need to be agreed by the community, with potentially negative impacts on Next Round timelines. Likewise, distinguishing between applicants on the basis of the intended use of a gTLD will be challenging, as ICANN does not review business plans as part of the gTLD application process.

## Option 3: Comparative Evaluation Process

A comparative evaluation process, such as a request for proposals, could be used to resolve contention sets, based on agreed criteria for awarding the TLD and potentially involving third party evaluations and panels.

### Considerations:

- This option does not inherently advantage better resourced applicants as auctions-based processes tend to do. The evaluation criteria chosen could also be designed to support or further specific goals, or influence the outcome of the contention process, such as giving priority to applicants who are applying for the first time, or supported ASP applicants.
- This proposal was also discussed in the SubPro WG, but was not included as a Recommendation in the Final Report and may require policy work. Developing evaluation criteria consistent with ICANN's [Bylaws and Mission](#) and the goals of the New gTLD Program may take considerable time. Using evaluation panels may also add risk to this option, given the subjective nature of decisions on the best or most deserving applications, as applicants might raise concerns about panels being subject to biases and could be considered by some applicants to unfairly disadvantage or discriminate.

## Option 4: Board decision to resolve contention

Under this option, the ICANN Board would resolve contention by choosing the successful applicant, according to criteria developed by ICANN org and outside experts in consultation with the IRT.

### Considerations:

- This option has a precedent in [2007 GNSO Implementation Guidance F](#), which states that “the ICANN Board may be used to make a final decision, using advice from staff and expert panels.” The possibility of developing criteria that do not inherently advantage better resourced applicants, like auctions-based processes tend to do, could also be explored
- This option could be seen to compromise the independence of the Board and entail conflicts of interest with applicants from the ICANN community. Evaluation criteria could still be considered by certain applicants to unfairly disadvantage or discriminate. Developing appropriate criteria could take considerable time, which would likely impact the timeline for opening the Next Round.

## Option 5: First come, first served

The earliest received application in a contention set would prevail, in the absence of a successful CPE application.

**Considerations:**

- This option is simple and easy to understand, relatively inexpensive and would not require the development of evaluation criteria or additional program rules.
- This approach would advantage applicants with resources to prepare and submit applications at the earliest opportunity, and/or who are located in a timezone convenient to submitting an application at the precise time the round opens.

## Option 6: Random or skilled based selection methods

ICANN could employ a random method, e.g. charitable raffle.

**Considerations:**

- A random method to resolve contention, such as a charitable raffle is arguably simple, effective, and transparent because a charitable raffle does not favor well-resourced applicants nor does it require comparative evaluations. Given the legal requirements for charitable raffles, however, there are operational considerations that should be considered that have impacts on timing, logistics, and resources needed to ensure compliance with the legal parameters.
- Based on the experience with ‘digital archery’ from the 2012 round, using a similar skill-based method to settle contention during the Next Round would seem counterproductive, however, it is an option that the community could explore if it wishes, because there is no policy recommendation prohibiting this (noting that the [SubPro Final Report](#) explicitly prohibited skill-based prioritization of applications, see Affirmation 19.1).