
1.2 Prioritization

1.2.1 Introduction

Prioritization refers to the assignment of priority numbers to applications for purposes of processing. This section of the Program Implementation Review report discusses the impact of prioritization on the following Program processes:

- Initial Evaluation
- Execution of Registry Agreements
- Pre-Delegation Testing
- Auction

1.2.2 Relevant Guidance

The following guidance is relevant to the topic of Contracting and will be discussed in further detail in Sections 1.2.3 and 1.2.4 of this report:

- GNSO Principle A: “New generic top-level domains (gTLDs) must be introduced in an orderly, timely and predictable way.”²¹
- GNSO Implementation Guideline D: “A first come first served processing schedule within the application round will be implemented and will continue for an ongoing process, if necessary. Applications will be time and date stamped on receipt.”
- Applicant Guidebook, Module 1: Introduction to the gTLD Application Process²²
- ICANN Board Resolution 2012.03.28.01 (28 March 2012): Batching of New gTLD Applications: Secondary Timestamp²³

1.2.3 Background

Section 1.1.2.5 of the AGB anticipated that Initial Evaluation (IE) would take approximately five months to complete and that results for all applications would be published at the end of IE. In the event of the number of applications exceeding 500, the AGB called for a secondary time stamp mechanism to establish batches for evaluation purposes. “Secondary time stamp” refers to a separate mechanism that would be used after the application window (see Section 1.1: Application Submission of this report) to assign time stamps to applications. At the end of the application

²¹ ICANN. (8 August 2007) ICANN Generic Names Supporting Organization Final Report Introduction of New Generic Top-Level Domains, Part A. Retrieved from <http://gnso.icann.org/en/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm>

²² ICANN. (4 June 2012) gTLD Applicant Guidebook Version 2012-06-04. Retrieved from <http://newgtlds.icann.org/en/applicants/agb/guidebook-full-04jun12-en.pdf>

²³ ICANN. (28 March 2012) Approved Board Resolutions | Special Meeting of the ICAN Board. Retrieved from <https://www.icann.org/resources/board-material/resolutions-2012-03-28-en>

window, 1,930 applications were submitted for new gTLDs. As this number exceeded the anticipated 500 in the AGB, a secondary time stamp mechanism in the form of digital archery was launched on 8 June 2012 to allow applicants to register a time stamp for their applications.²⁴ On 23 June 2012, ICANN announced that digital archery was suspended due to applicants' reports that the timestamp system returned unexpected results depending on circumstances.²⁵ Digital archery was scheduled to close on 28 June 2012. At the time of suspension, approximately 20% of applications had registered a time stamp.

The suspension of digital archery did not impact the start of application evaluation. All evaluation panels—String Similarity, Financial Capability, Technical/Operational Capability, DNS Stability, Registry Services, Geographic Names, and Background Screening—started processing applications in June 2012. Absent guidance regarding how to order applications for evaluation purposes, the evaluation panels processed applications in random order at this time. Some of the evaluation panels organized applications in groups that would enable the most efficient evaluation. For example, the Technical and Operational Capability and Registry Services evaluation panels grouped applications by back-end Registry Service providers. The Financial evaluation grouped applications by applying entity.

On 10 October 2012, ICANN published for comment a “Use of a Drawing for Prioritizing New gTLD Applications” plan for prioritizing applications through the use of a drawing.²⁶ The Plan was the culmination of four months of discussions with the community.

On 20 November 2012, ICANN announced that a prioritization draw would take place on 17 December 2012.²⁷ The draw would assign a priority number to each application for the purposes of application processing. To participate in the drawing, applicants were required to purchase a ticket for each application. The funds collected from ticket sales were donated to charitable organizations pursuant to California laws.

On 17 December 2012, ICANN held four drawings. The first drawing prioritized IDN applications with a purchased ticket. The second drawing prioritized non-IDN applications with a purchased ticket. The third drawing prioritized IDN applications without a purchased ticket. The fourth drawing prioritized non-IDN applications without a purchased ticket. In total, 1,917 applications were assigned a priority number. Thirteen applications withdrew before the Prioritization Draw took place.

²⁴ ICANN. (6 June 2012) Announcement: New gTLD Batching Announcement. Retrieved from <http://newgtlds.icann.org/en/announcements-and-media/announcement-06jun12-en>

²⁵ ICANN. (23 June 2012) Announcement: Digital Archery Suspended. Retrieved from <http://newgtlds.icann.org/en/announcements-and-media/announcement-23jun12-en>

²⁶ ICANN. (10 October 2012) Announcement: Use of a Drawing for Prioritizing New gTLD Applications. Retrieved from <https://www.icann.org/news/announcement-2-2012-10-10-en>

²⁷ ICANN. New gTLD Prioritization Draw. Retrieved from <http://newgtlds.icann.org/en/applicants/prioritization-draw>

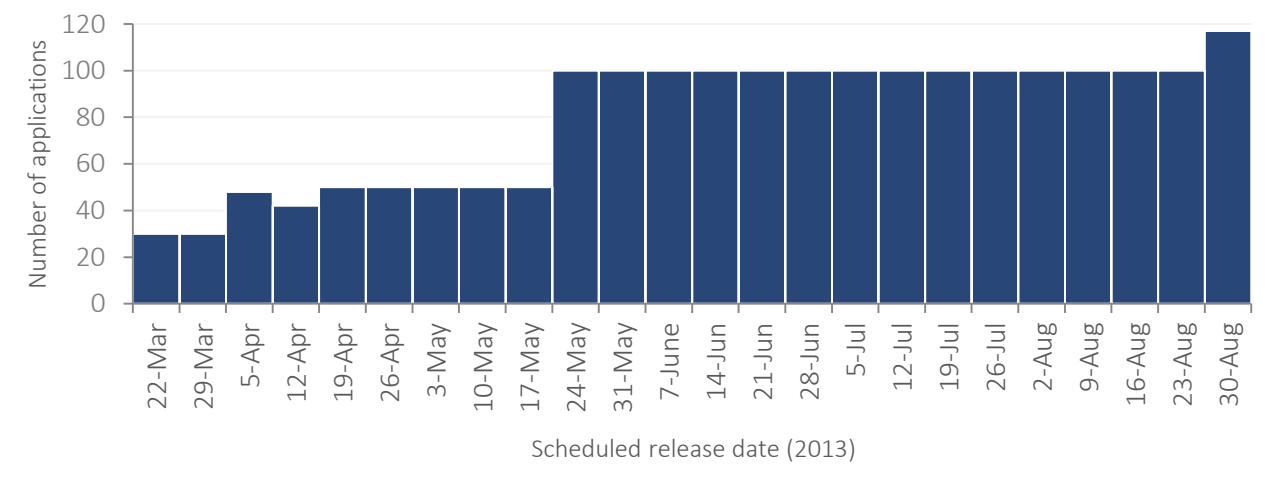
1.2.4 Assessment

According to the “Use of a Drawing for Prioritizing New gTLD Applications” plan,²⁸ priority numbers would be used to order the release of evaluation results (see Section 2.1: Initial and Extended Evaluation of this report), to execute Registry Agreements (see Section 5.1: Contracting of this report) and to schedule PDT appointments (see Section 5.2: Pre-Delegation Testing and Transition to IANA of this report). The Plan also stressed the importance of metering the execution of Registry Agreements and PDT processes to ensure that no more than 1,000 TLDs were delegated per year in accordance with root zone scaling requirements.²⁹

1.2.4.1 INITIAL EVALUATION

For Initial Evaluation (IE), the Plan called for IE results to be released by priority numbers beginning in March 2013 and ending in June of 2013. ICANN met the March 2013 date and began releasing IE results on 22 March 2013. Results were released in batches by priority number. ICANN began by releasing results for priorities 1-30 the first week, ramping up to weekly batches of 100 priority numbers. This was lower than the 150 applications per week called for in the Plan. However, discussions with the evaluation panels after the publication of the Plan concluded that their maximum capacity was 100 applications per week. This resulted in the extended IE completion date of August 2013 instead of the June 2013 timeframe anticipated in the Plan.³⁰ Figure 1.2.i shows the IE results release schedule that ICANN followed during IE.

Figure 1.2.i: IE results release schedule



²⁸ ICANN. (10 October 2012) Use of a Drawing for Prioritizing New gTLD Applications. Retrieved from <http://newgtlds.icann.org/en/applicants/batching/drawing-prioritization-10oct12-en.pdf>

²⁹ ICANN. (October 2010) Summary of the Impact of Root Zone Scaling. Retrieved from <https://archive.icann.org/en/topics/new-gtlds/summary-of-impact-root-zone-scaling-06oct10-en.pdf>

³⁰ ICANN. (22 March 2013) Announcement: Initial Evaluation Results Released for First Set of Applications. Retrieved from <http://newgtlds.icann.org/en/announcements-and-media/announcement-22mar13-en>

There were instances where the IE results release for some applications could not occur in the scheduled week. Possible reasons IE results were not available in the scheduled week included pending change requests, clarifying questions or follow-up with applicants regarding missing information.

Although prioritization allowed for predictable release of IE results, it brought some inefficiency to the evaluation process. As mentioned in Section 1.2.3 of this report, evaluation panels began review of applications in June of 2012. When the Prioritization Draw took place on 17 December 2012, some applications with smaller prioritization numbers had not been evaluated while some of the applications with larger prioritization numbers had partially been reviewed. As such, significant reshuffling occurred and a considerable number of evaluations had to be completed in the three months leading up to the publication of the first set of IE results on 22 March 2013. The requirement to process applications by priority number also resulted in the inability to group applications by back-end registry service providers or by applicants throughout IE, which would have supported processing efficiency. This is further discussed in Sections 2.6: Technical and Operational Capability Evaluation and Section 2.7: Financial Capability Evaluation of this report.

1.2.4.2 EXECUTION OF REGISTRY AGREEMENTS

After IE, applications followed various possible paths as anticipated and illustrated in Section 1.1.5 of the AGB. For Contracting (see Section 5.1: Contracting of this report), priority numbers were used to invite applicants as they completed the required Program steps and became ready to enter the Contracting process. Similarly, priority numbers were used to order execution of the Registry Agreement as applicants completed all of the required Contracting process steps.

The AGB and Plan anticipated that applicants would sign the Registry Agreement quickly upon eligibility and that Registry Agreement execution would occur at a steady rate of 20 per week. In actuality, the majority of applicants did not sign the Registry Agreement quickly. The number of Registry Agreement executions varied and remained fewer than 20 for most weeks after the commencement of the Contracting process. See Section 5.1: Contracting of this report for further discussion on the process.

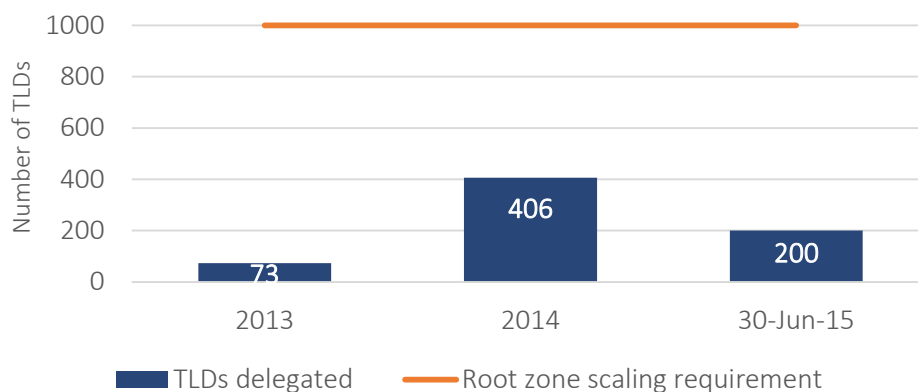
1.2.4.3 PRE-DELEGATION TESTING (PDT)

As applicants executed Registry Agreements and were ready to begin PDT, priority numbers were used to invite applicants to schedule PDT appointments. As the applicants were free to pick a PDT appointment date that worked for them, the actual PDT date did not always correspond to the order that applicants were invited to schedule PDT. Should there be several applicants wishing to schedule their appointments on the same date, applicants with the smallest priority numbers would be scheduled first, ahead of those with larger priority numbers.

As applicants did not quickly sign Registry Agreements, the volume and rate of PDT did not reach the 20 per week rate anticipated in the Plan. As such, the rate of delegation of TLDs stayed below the

root zone scaling requirement of 1,000 per year to-date. Figure 1.2.ii shows the number of delegations per calendar year.

Figure 1.2.ii: Delegations per calendar year



1.2.4.4 AUCTION

Although not specifically called for in the Plan, priority numbers were also used to schedule auctions. Within a contention set, the application with the smallest priority number determined the order in which sets were scheduled for auction. Lacking any other direction to order contention sets, the use of priority number was the most fair and predictable method to schedule auctions.

1.2.5 Conclusion

Prioritization was a fair and effective method of ordering applications for release of IE results and for execution of other Program processes such as Contracting, PDT, and auction. It provided applicants with predictability of application processing order and timelines of IE results release. For staff, it provided an effective mechanism to prioritize service providers' and its own work. However, prioritization also caused some process inefficiency. The Prioritization Draw did not take place until six months after evaluation had already begun. As such, the evaluation panels were not able to fully leverage the work of the six months between the beginning of evaluation and the Prioritization Draw. Some applications that had been evaluated ended up with high priority numbers, and some applications where evaluations had not begun evaluation had low priority numbers. Prioritization also did not allow grouping of applications by back-end registry service providers, or applicants, which would have provided process efficiency in the evaluation of applications. Although these inefficiencies did not cause any delays to application processing, the lesson learned is that assignment of priority numbers to applications should be established prior to commencement of the processing of application. Considerations should also be given to how efficiency of grouping evaluations by common characteristics could be achieved while allowing for a fair and predictable way of ordering application processing.

In summary:

1.2.a Assign priority numbers to applications prior to commencement of application processing

1.2.b Consider grouping applications by common characteristics while establishing priority numbers, in order to increase processing efficiency