

**I C A N N**

**COMMUNITY FORUM**

**61**

**SAN JUAN**

10-15 March 2018



# New gTLD Subsequent Procedures GNSO PDP

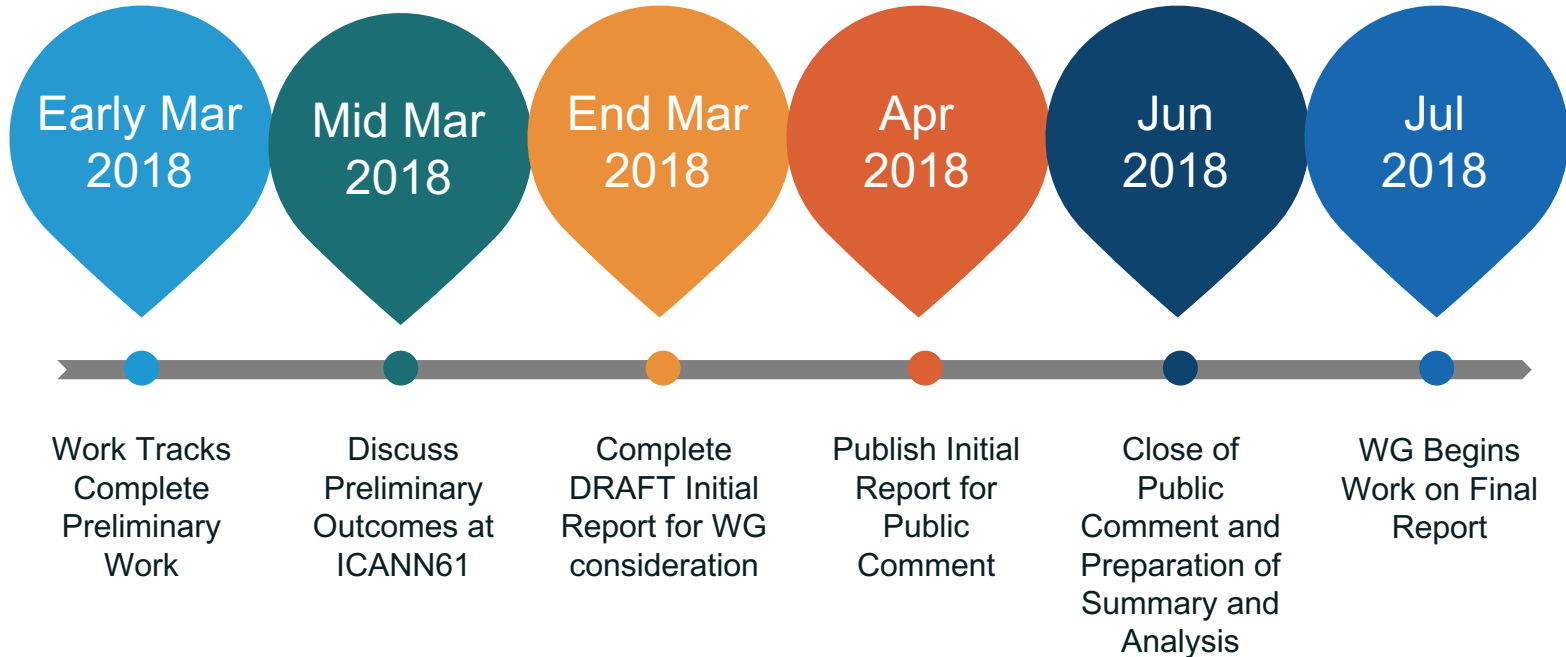
Summary of preliminary recommendations / implementation guidance, options, and questions.

Saturday, 10 March 2018



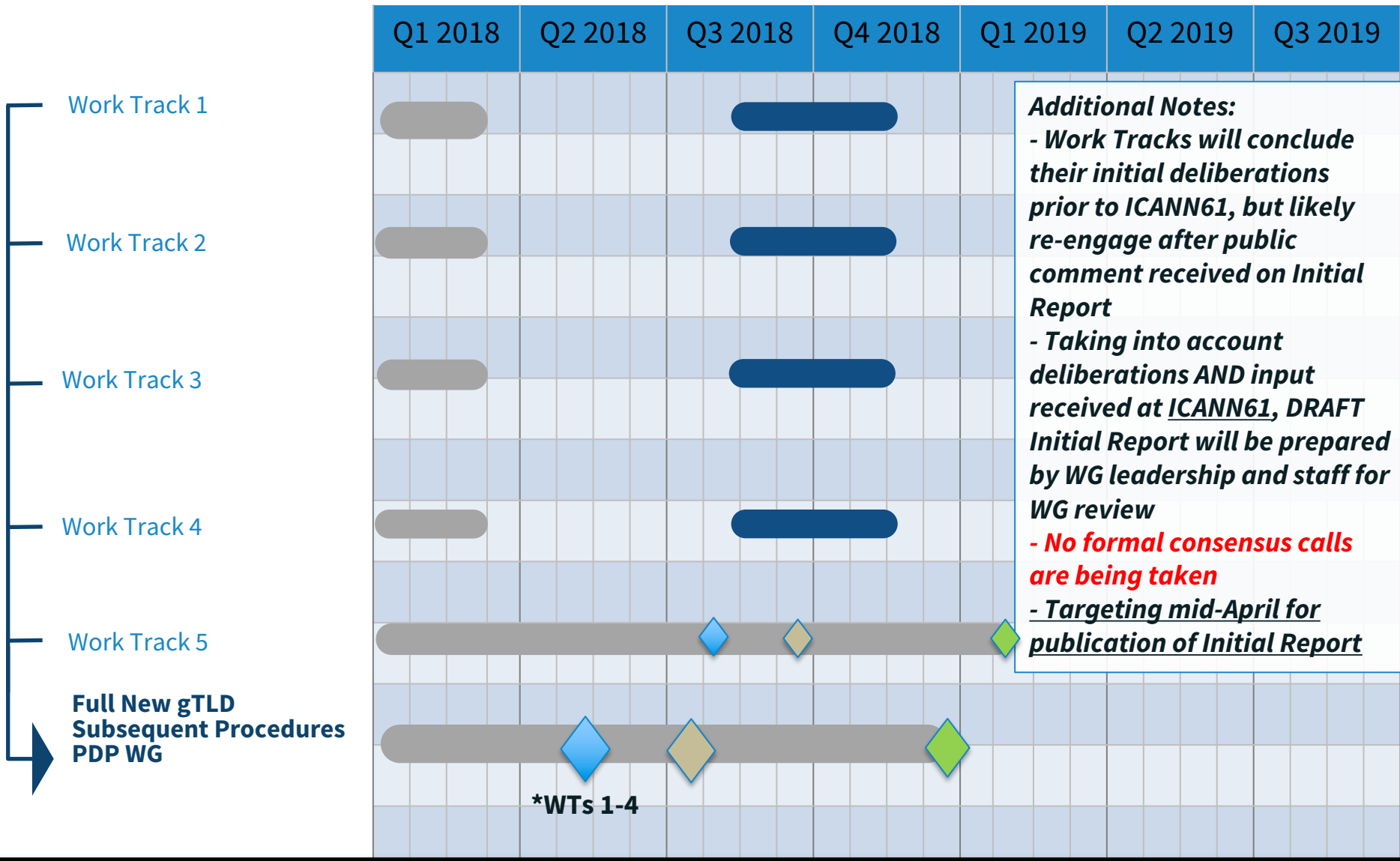
# Subsequent Procedures PDP Timeline - Initial Report

## Work Tracks: Overarching & 1 – 4\*



\* Work Track 5 will aim for an Initial Report to be published in August 2018

# New gTLD Subsequent Procedures Timeline



**Additional Notes:**

- Work Tracks will conclude their initial deliberations prior to ICANN61, but likely re-engage after public comment received on Initial Report
- Taking into account deliberations AND input received at ICANN61, DRAFT Initial Report will be prepared by WG leadership and staff for WG review
- No formal consensus calls are being taken
- Targeting mid-April for publication of Initial Report

\*WTs 1-4

## KEY



Publish Initial Report

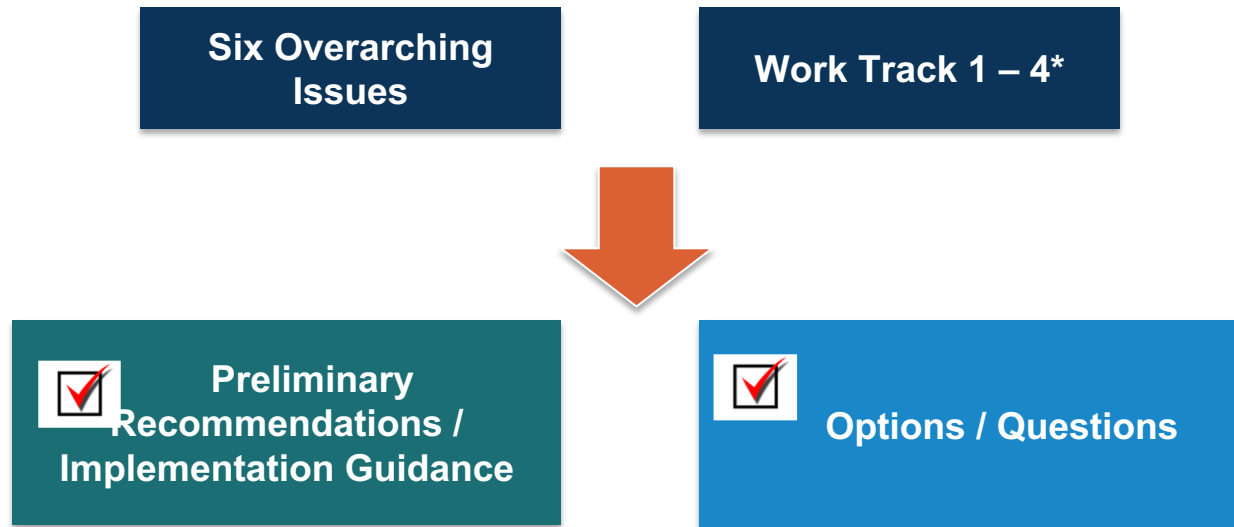


Close of Public Comments



Final Report Delivered to Council

# SubPro Policy Recommendation Status



## Background

- **The outcomes in the Initial Report have not undergone formal consensus calls.**
  - **This is also true of the preliminary outcomes contained in this set of slides**
- The Initial Report will have a mixture of preliminary policy recommendations, preliminary implementation guidance, but also options under discussion and open questions where feedback is being sought from the community.
- **This summary update report** is intended to provide a high-level understanding of the current status of outcomes for each topic and in some cases, 1) the text has been shortened to allow it to fit on slides and/or 2) the text may be refined prior to inclusion in the Initial Report. **The text in the Initial Report, when released, should be considered authoritative.**

# Overarching Issues & Work Track Topics

## Six Overarching Issues

1 Continuing Subsequent Procedures

2 Predictability

3 Community Engagement

4 Application Assessment in Rounds

5 Different TLD Types

6 Application Submission Limits

### Work Track 1

#### Overall Process, Support and Outreach

- Competition, Consumer Trust and Consumer Choice
- Applicant Guidebook
- Clarity of Application Process
- RSP Pre-Approval Program (Formerly the Accreditation Program)
- Systems
- Application Fees
- Communications
- Application Queuing
- Application Submission Period
- Support for Applicants From Developing Countries
- Variable Fees

### Work Track 2

#### Legal/Regulatory

- Reserved Names List / TMCH (Pricing)
- Base Registry Agreement
- Registrant Protections
- Contractual Compliance
- Registrar Non-Discrimination
- TLD Rollout
- Second-level Rights Protection Mechanisms
- Registry/Registrar Standardization
- Global Public Interest
- IGO/INGO Protections
- Closed Generics
- Applicant Terms and Conditions

### Work Track 4

#### IDN, Technical & Operations

- Internationalized Domain Names & Universal Acceptance
- Security & Stability
- Applicant Reviews: Technical/Operational and Financial
- Name Collisions

### Work Track 3

#### String Contention, Objections and Disputes





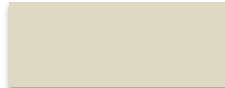
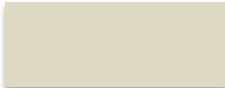






- New gTLD Applicant Freedom of Expression
- String Similarity
- Objections
- Accountability Mechanisms
- Community Applications

### Work Track 5

#### Geo Names

- Geo Names

# Status Update Overview: Overarching Issues

Six Overarching Issues		Recs / IG	Options / Questions
1	Continuing Subsequent Procedures		
2	Predictability		
3	Community Engagement		
4	Application Assessment in Rounds		
5	Different TLD Types		
6	Application Submission Limits		

# Status Update Drill-Down: Overarching Issues

## Six Overarching Issues

### 1 Continuing Subsequent Procedures

### 2 Predictability

### 3 Community Engagement

### 4 Application Assessment in Rounds

### 5 Different TLD Types

### 6 Application Submission Limits

## Updates

- WG believes there should be additional new gTLDs and will affirm existing policy

- WG has prepared a draft predictability framework

- No additional guidance seen at this time

- WG agrees that that there will at least be one additional **round**. Moving forward from there, undecided, but presenting options for community feedback.

- Discussions are still ongoing and no consensus or group direction has been identified to-date to add additional types beyond existing 2012 (standard, community, geographic, and BRAND)

- The WG does not believe there is a practical way to limit the number of overall applications per "round" OR applications from any party



# Status Update Overview: Work Track 1

11 Work Track Topics		Recs / IG	Options / Questions
1	Competition, Consumer Trust & Consumer Choice		
2	Applicant Guidebook		
3	Clarity of the Application Process		
4	Registry Service Provider (RSP) Pre Approval Program (Formerly the Accreditation Program)		
5	Systems		
6	Application Fees		
7	Communications		
8	Application Queuing		
9	Application Submission Period		
10	Support for Applicants from Developing Countries		
11	Variable Fees		

## Competition, Consumer Trust and Consumer Choice

**Preliminary Recommendations, etc.:** None at this time, at least in part because the WT is awaiting the Final Report from the Competition, Consumer Trust and Consumer Choice Review Team

## Applicant Guidebook

### Preliminary Implementation Guidance:

#### Recommendations on the Structure or Design of the AGB

- Reduce the amount of background and rationale, move to Appendices.
  - Less focus on historical context
  - Less of a policy approach
- Create a practical guide that can be used in applying for a TLD
- Improving the Table of Contents along with the Index making the document easier to find relevant information and to search
- Step-by-step, possibly by type of application
- Some WT members pointed out that a digital version could allow for advanced indexing of an omnibus text. A core set of provisions may be applicable to everyone, but additional provisions may only be applicable to some. If the text is tagged and searchable, users could more easily locate the parts of the text that are relevant to them.

## Clarity of Application Process

### Preliminary Implementation Guidance:

- The Applicant Guidebook (AGB) and associated processes and policies (including the Registry Agreement), must be finalized before the application period commences.
- Any changes to the AGB or application process should be minimized. However, when substantive/disruptive changes are necessary, a mechanism that allows impacted applicants the chance to either receive a full refund or be tracked into a parallel process that deals with the discrete issues directly without impacting the rest of the program.
- The systems should allow an applicant to streamline their answer submissions by allowing for the dissemination of information across all applications associated to the applicant.

## Registry Service Provider (RSP) Pre-Approval Program (Formerly the Accreditation Program) – 1/3

### Preliminary Recommendations / Implementation Guidance:

- Agreement that an “accreditation” program, per se, is not desirable, but general agreement on a Registry Service Provider (“RSP”) Program designed to limit redundant validation of RSP systems, specifically around Pre-delegation Testing.
- RSP system should be fully tested. Testing must be consistent, predictable and to the extent possible, objective, and redundancy should be limited. The RSP must be able to operate the registry in accordance with the technical requirements (for example, meet Standards in Extensible Provisioning (EPP) extensions, file formats, billing transactions, and Domain Transaction Type Name - see WT4), and also guarantee resiliency and stability. Therefore, the criteria should test capacity in excess of the RSP’s routine activities.
  - The criteria could include multiples of capacity to resist DDoS attacks and could address the latest threat matrices. As these requirements might change over time, the providers would need to provide (periodic) evidence that they are up to date.
- Any RSP Program should be designed in such a manner as not to increase ICANN’s liability, and costs associated with the evaluation and testing of an RSP should be borne by the RSP as opposed to the Applicant, where the Applicant and the RSP are not the same entity.

## Registry Service Provider (RSP) Pre-Approval Program (Formerly the Accreditation Program) – 2/3

### Preliminary Recommendations / Implementation Guidance, continued:

- Pre-approval of RSPs should be done in a way that takes into account the capacity of said RSP, the type of TLDs supported and services provided, and Applicants must have access to a list of Registry Service Providers and a list of functional areas they have been pre-approved for, through the RSP Program.
- Applicants must not be required to select a "pre-approved" RSP, but be able to either propose providing their own registry services or selection of a new RSP. A new RSP must be evaluated prior to the ultimate selection of the Applicant to manage one or more specific TLDs.
- It is also noted that 1) there is general agreement that RSPs should not have a contract with ICANN, and 2) there is general agreement for periodic reassessment of RSPs.
- Regarding timing, while most support the launch of such a program as soon as practical prior to the next application window, at the very least a 3 (?) month lead should be provided.
- A clear RSP application processing timeline should be created and it should always be met/adhered to. This will ensure predictability.
- The technical requirements and any additional elements for the next round should be imposed for the the RSP program.

## Registry Service Provider (RSP) Pre-Approval Program (Formerly the Accreditation Program) – 3/3

### Questions for Community Input:

- Should existing RSPs receive any differential treatment (e.g., be grandfathered into the RSP Program)?

## Systems

### Preliminary Implementation Guidance:

- Systems should be integrated and undergo extensive, robust testing to ensure their stability and the security of data is properly protected. Ensuring sufficient development time along with a testing environment should be employed along with transparency of changes while ensuring no unfair advantages are created.
- Focus on improving the transparency of submitted information and user experience including: 1) the ability to use non-ASCII characters, 2) live support (also in systems), 3) group applications together, 4) standard auto-responder email, 5) ability to receive automated invoices, 6) tracking capabilities and confirmation of updated/saved information, 7) ability to upload application documents 8) ability to update information/documentation in multiple fields without having to copy and paste, 9) ability to add secondary contacts to receive communication along with the ability to grant access to different users related to an application, 10) ability to provide an answer to questions and then have it disseminated across all applications being supported, 11) provide clearly defined contact for particular questions.
- Any system access agreements/Terms of Use and should be finalized in advance and included in the Applicant Guide Book with the goal of minimizing obstacles and/or legal burdens on applicants.



## Application Fees (1/3)

### Preliminary Recommendations / Implementation Guidance:

- The Application fee should follow the 'revenue-cost neutral' principal while improving application fee accuracy.
- Setting a floor amount helps to ensure ICANN is not unexpectedly put in the position where demand is so high that fulfilling the workload risks the stability of the organization. Additionally, setting a floor amount reflects the serious commitment of owning a valuable piece of the Internet, helps reduce speculation and abuse while protecting the security, stability and competition between rounds. Additionally, it mitigates the risk of an overall round financial shortfall.
- The application fee amount will be dependent upon:
  - A. If the application costs are less than the floor value, then the application fee amount becomes the floor amount. When the floor value becomes applicable, then any excess funds are not redistributed back to applicants but distributed as described below.
  - B. If the application costs are greater than the floor value, then the application fee amount becomes the revenue-cost neutral amount. In this instance, any excess funds are redistributed back to the applicants.
  - C. See item c in Aspects for Further Discussion

## Application Fees (2/3)

### Preliminary Recommendations / Implementation Guidance, continued:

- Excess funds resulting from the application costs versus the floor (item a) should be distributed back to applicants or used to benefit and to another category?
  - Support general outreach
  - Support the gTLD program
  - Application Support Program
- Top-up any shortfall in the segregated fund as described below.
- To help alleviate the burden of an overall shortfall, a separate segregated fund should be setup that can be used to absorb the shortfall and topped-up in a later round. The amount of the contingency should be a predetermined value that is reviewed periodically to ensure its adequacy.

## Application Fees (3/3)

### Questions for Community Input:

- Other restrictions/methodologies to prevent warehousing/squatting of TLDs?
- What happens if the revenue-cost neutral amount results in a refund that is greater than the floor value? Should it be only the difference between the cost floor and the amount refunded? Should there be any minimum number for this to come into effect? i.e. the amount is a small amount - and if so, should this excess be distributed differently? i.e. Universal Awareness, Applicant Support, other.
- In variable fees, discussion on how to allocate long-term investment costs was brought up (see section) – do we want to include a portion of any excess funds to support or recover these long-term investments?
- Considerations/implications if we move to continuous rounds?

## Communications

### Preliminary Implementation Guidance:

- The knowledge base could be made more timely and searchable, applicant advisories could be better communicated (e.g., create some sort of subscription service), program information should be consolidated into a single site, ICANN's Global Stakeholder Engagement team could be leveraged to promote global awareness.
- Metrics to understand the level of success for communications were not established; in particular, lack of awareness around the Applicant Support Program was highlighted as an area of weakness.
- Provide applicants with an option to be notified of developments related to the New gTLD Program and related processes and procedures, as well as information that is germane to their own applications.
- Utilize ICANN portals to submit questions to ICANN for specific applications confidentially. Specific, timely deadline for responding to questions. In addition to the portals, create a more general "help line" and publish a searchable FAQ-type page on ICANN's website.
- Organize regional teams within underserved regions to more effectively introduce, educate and inform people who may be qualified but without the right contacts to learn about the RSP and Applicant Support programs.

## Application Submission Period

### Preliminary Implementation Guidance:

- The application submission window was too quick and too short.
- Due to uncertainty related to demand, the WG suggests a Hybrid approach where a single round is set (with a minimum 3 months notice) followed by an annual window, e.g., three months of application acceptance, remaining 9 months to complete evaluation, repeat on a yearly basis. Evaluations are conducted on a rolling basis. The set application window timeline provides predictability, with post application to delegation steps running in parallel with any subsequent window. This process will lead into a “continuous” application process. The Lead-up round should closely reflect end-goal of continuous/annual application process. Round should be a means of refining the continuous application process.
- Applicants in the next round (regardless whether delegated or not) have priority over additional/subsequent round applicants.

### Questions for Community Input:

- Is three months the proper amount of time?
- Is the concept of a fixed period of time for accepting applications the right approach? Does this help facilitate a predictable schedule for submission and objections/comments?

## Support for Applicants from Developing Countries (1/3)

### Preliminary Recommendations / Implementation Guidance:

- Applicant support should be open to applicants regardless of their location.
- Geographic outreach areas should consider the “middle applicant” which are struggling regions that are further along in their development compared to underserved or underdeveloped regions.
- Applicants who do not meet the Applicant Support Program will be provided with the opportunity to pay the additional application fee amount and transfer to the standard application process associated with their application.
- Improve the awareness of the Applicant Support Program by engaging with other ICANN communities and other suitable partners that include, but not limited to, focus on technology and communication industries in underserved regions while improving awareness through extensive promotional activities.
- A multifaceted approach based on pre-application support including longer lead times to create awareness, insightful experts who understand relevant regional issues and potential ramifications on the business plans along with tools and expertise on evaluating the business case and developing a market for a TLD.

## Support for Applicants from Developing Countries (2/3)

### Preliminary Recommendations / Implementation Guidance:

- Mentorship on the management, operational and technical aspects of running a registry such as existing registries/registrars within the region to develop in-house expertise to help ensure a viable business for the long-term.
- Financial support needs to go beyond the application fee but also include application writing fees, attorney fees and ICANN annual maintenance fees.
- Evaluate additional funding opportunities including multilateral and bilateral organizations
- Improve Promotional Efforts (Further detail in Initial Report)
- Utilize Partnerships to Maximize Outreach(Further detail in Initial Report)
- Support Beyond Reduced Application Fees (Further detail in Initial Report)
- Understand Obstacles & Provide Assistance Accordingly (Further detail in Initial Report)

## Support for Applicants from Developing Countries (3/3)

### Questions for Community Input:

- Metrics: What does success look like? Is it sheer # of applications; considered application vs. applied, business plan, financial sustainability, sources of funds; accuracy of information?
- Evaluation criteria if there are more applicants than funds, ideas: dispersed by region, number of points earned in the evaluation process, type of application, communities represented, other?
- Other elements – did we provide the right tools?
- How can we best provide locally available consulting resources?
- How to improve the learning curve – ideas beyond mentorship?
- How do we penalizing applicants who may try to game the system?
- String contention resolution/auction considerations – any?
- Should there be a dedicated round for applicants from Developing Countries?



## Variable Fees (1/2)

### Preliminary Recommendations / Implementation Guidance:

- Artificially increasing costs may discourage innovation and competition.
- Different application fees for different types of applications is only warranted if the difference is greater than 20%.
- The excess of these fees could follow the same disbursement mechanism as detailed in the Application Fees section.
- Sanctions for changing the type of application should be higher than applying for the desired TLD type originally – the additional fees should be at 125% of the difference between the different application types in terms of fees plus any other related processing fees.
- Applicants who apply for multiple TLDs should not receive any discounts on their application fees.

## Variable Fees (2/2)

### Questions for Community Input:

- Do we want to consider the speculation of TLDs?
- How would fixed assets that are used over multiple rounds be allocated?
- Are we okay with ICANN being a registry of registries?
- How do we manage compliance with a growing volume of registries? Impact on variable costs?
- How do we promote competition and encouraging innovation via pricing?
- How do we address excesses and the timely disbursement of excess funds?
- Do you think there would be implications if limit were set on delegations per year – scaling, planning, instability, compliance?

# Status Update Overview: Work Track 2

12 Work Track Topics		Recs / IG	Options / Questions	
1	Reserved Names	Dark Green	Light Gray	Preliminary Recommendations and/or Implementation Guidance Available
2	Base Registry Agreement	Dark Green	Blue	
3	Registrant Protections	Dark Green	Blue	Options and/or Questions for Community Comment Available
4	Contractual Compliance	Dark Green	Light Gray	
5	Registrar Non-Discrimination	Dark Green	Blue	Considered by WG, no Preliminary Outcomes
6	TLD Roll Out	Dark Green	Light Gray	
7	Second-level Rights Protection Mechanisms *	Light Gray	Light Gray	
8	Registry/Registrar Standardization (combined with 5)	Dark Green	Blue	
9	Global Public Interest	Dark Green	Light Gray	
10	IGO/INGO Protections *	Light Gray	Light Gray	
11	Closed Generics	Light Gray	Blue	
12	Applicant Terms and Conditions	Dark Green	Light Gray	

\* WG did not consider these topics. It is anticipated that any relevant policy development will be performed in the separate PDP efforts dedicated to these topics.

## Reserved Names

### Preliminary Recommendations / Implementation Guidance:

- Maintaining the Reserved Names List in the **second-level** with minor changes.
  - From the deliberations, there appears to be general consensus to maintain the Second Level Reserved Name list with minor adjustments. Since there is no consensus on what minor adjustments should be made, it would be beneficial for the WT to further review the Second Level Reserved Name List and define detailed recommendations.
- Maintaining the Reserved Names List in the **top-level** with minor changes
  - From the deliberations, there appears to be consensus to maintain the top level reserved name list largely unchanged, with the exception of adding PTI and any other names relevant to Public Technical Identifiers (PTI). While there is no consensus on whether any specific changes in the top level reserved name list should be recommended, it would be beneficial for the WT to further review the Top Level Reserved Name List

## Base Registry Agreement (1/2)

### Preliminary Recommendations / Implementation Guidance:

- From WT deliberations until now, there seems to be general agreement that there are core provisions of the base Registry Agreement that apply to all, while there appears to be key concerns around the difficulties in obtaining exemptions. Outcome may be along the lines of the compromise solutions raised, with a single base Agreement and a clear system of exemptions or variations to be used based on categories or other factors.

### Base Registry Agreement (2/2)

#### Questions for Community Input:

**As a collective whole, the following paths forward are proposed for the WT to further consider in the proposal to the full WG.**

1. It would be beneficial for the WT to recommend a scaled back core agreement with additional specifications per category, with the goal of a single agreement with a more clear, structured, and efficient method for obtaining exemptions. Such categories are currently in discussion in the full WG and the outcome of that discussion will further influence the Base Registry Agreement path forward.
2. From the deliberations, it is difficult to address the questions whether we should maintain the current restrictions however pursue additional restrictions pertaining to sunrise period, land-rush or other registry activities. Questions and suggestions raised by the group need to be discussed further, for example:
  - How holders of TMCH recorded marks might be given first refusal where the name is released from reservation
  - Predatory pricing can be dealt with more explicit fraud provisions in PICs
3. From the deliberations, there appears to be no consensus built around the additional questions needs to be addressed from the issue report:
  - Should the base agreement be available in different languages?
  - Should rules, definitions, and requirements be established around the selling and maintenance of premium names?
  - Should there be rules and restrictions around registry pricing, particularly around premium names?

## Registrant Protections (1/2)

### Preliminary Recommendations / Implementation Guidance:

#### ***Maintain existing critical registry functions but explore exemptions.***

- From the deliberations, there appears to be consensus to keep the EBERO process in cases where there is a failure of the back-end services provider. There is also consensus thus far in keeping the triggers for the EBERO process the same as in the Applicant Guidebook with the existing critical registry functions.
- The WT is also recommending that single registrant TLDs (including those under Specification 13) be exempt from EBERO requirements.

#### ***Explore exemptions for publicly traded companies.***

- From the deliberations, it is difficult to address the issues of background screenings in full without further data. However, there has been much agreement on high level aspects such as allowing for Brand owners who run registries and are publicly traded to be exempt from background screening requirements as they undergo extensive similar screenings.
- There also has been high level agreement to make improvements to the background screening process to be more accustomed and flexible for different regions of the world.

## Registrant Protections (2/2)

### Questions for Community Input:

#### ***Explore further methods to fund the EBERO process.***

- From the deliberations, there appears to be consensus to explore a different method to fund the EBERO process, however, there is no consensus on what method to explore. Suggestions on an alternative funding mechanism are welcome.

#### ***Examples of issues with background screening.***

- During deliberations, WT member discussed challenges with the background screening process, where it appeared that it was ineffective in identifying and preventing bad actors. Do you have examples where background screening was ineffective and/or suggestions for improvement of the process?



## Contractual Compliance

### Preliminary Recommendations / Implementation Guidance:

- Work Track members seemed to support recommending that Contractual Compliance publish more granular and meaningful data on the activities of the department and the nature of the complaints handled.

## Registrar Non-Discrimination & Registry/Registrar Standardization (1/2)

### Preliminary Recommendations / Implementation Guidance:

#### **Maintaining the Vertical Integration mechanisms while allowing greater flexibility on granting Code of Conduct exemptions.**

- From the deliberations, there appears to be general agreement for maintaining the Vertical Integration mechanism while allowing greater flexibility on granting Code of Conduct exemptions to registry operators that are qualified.

Two Topic Summaries  
Combined

## Registrar Non-Discrimination & Registry/Registrar Standardization (2/2)

### Questions for Community Input:

#### **Maintaining the Vertical Integration mechanisms while allowing greater flexibility on granting Code of Conduct exemptions.**

- Since there is no consensus on what additional mechanisms should be developed in order to determine the sort of exemptions that may granted, the WT would welcome input on the types of additional exemptions that may be needed.

Two Topic Summaries  
Combined

## TLD Roll-Out

### Preliminary Recommendations / Implementation Guidance:

- The Work Track generally agreed that if delegation deadlines remain in place for subsequent procedures, the timeframes used in the 2012 round remain appropriate.
- Work Track members supported making a recommendation that the ICANN Organization should be responsible for meeting specific deadlines in application and delegation processes, noting that this issue may also be covered under the topic of Predictability.

## Global Public Interest

### Preliminary Recommendations / Implementation Guidance:

- Work Track members tended to support having a mechanism going forward in which an applicant/registry could make commitments that become binding through the contract. While the term “Public Interest Commitments” may not effectively describe this mechanism, a similar measure would be valuable in subsequent procedures.
- No specific proposal has been forward to eliminate or change significantly provisions regarding the mandatory PICs.
- There appears to be some support for using the PIC process to allow applicants to change an application in response to concerns raised by the community although this issue may need to be discussed further.

## Closed Generics

### Options for Community Input:

1. **No Closed Generics:** Bring policy up to date with the existing Registry Agreement that Closed Generics should not be allowed.
2. **Closed Generics with Public Interest Application:** Allow Closed Generics but require that applicants clearly demonstrate that the Closed Generic serves a public interest in the application. This would require the applicant to reveal details about the goals of the registry. It also would establish an objections process for Closed Generics that is modelled on community objections.
3. **Closed Generics with Code of Conduct:** Allow Closed Generics but require the applicant to commit to a code of conduct. This would not require the applicant to reveal details about the goals of the registry, but it would commit the applicant to annual self-audits that fall in line with the code of conduct in regards to Closed Generics. It also would establish an objections process for Closed Generics that is modelled on community objections.
4. **Combination of 2 & 3:** Allow Closed Generics but require the applicant to clearly demonstrate that the Closed Generic serves a public interest in the application by revealing details about the goals of the registry. In the event the TLD is delegated, it would require the registry operator to commit to annual self-audits that fall in line with the code of conduct in regards to Closed Generics.
5. **Allow Closed Generics with No Regulation:** Allow Closed Generics with no regulation but establish an objections process for Closed Generics that is modelled on community objections.

## Applicant Terms and Conditions

### Preliminary Recommendations / Implementation Guidance:

#### ***Revision to provision for accountability and clarity***

- The majority of deliberations focus around consensus for clarity on appropriate reason and transparency as per what reason an application is rejected be it law, ICANN Bylaws, or other policy.

#### ***An appeals mechanism for applicants***

- While the structure and criteria have yet to be fully explored, there is overall consensus for an appeals mechanism.

#### **Framework for change management and advance planning for any changes to the AGB**

- Deliberations do not focus on a single harmonized theme, so while we can't say we have overall consensus, most comments focused on allowing change to applications in coherence with changes made to the AGB by ICANN. Predictability is our best friend moving forward, but framework should be laid out for how ICANN can make changes to the AGB as well as what applicants can do in response.

# Status Update Overview: Work Track 3

5 Work Track Topics		Recs / IG	Questions / Options
1	New gTLD Applicant Freedom of Expression	Considered by WG, no Preliminary Outcomes	Considered by WG, no Preliminary Outcomes
2	String Similarity Evaluation	Preliminary Recommendations and/or Implementation Guidance Available	Options and/or Questions for Community Comment Available
3	Objections	Preliminary Recommendations and/or Implementation Guidance Available	Options and/or Questions for Community Comment Available
4	Accountability Mechanisms	Preliminary Recommendations and/or Implementation Guidance Available	Options and/or Questions for Community Comment Available
5	Community Applications	Preliminary Recommendations and/or Implementation Guidance Available	Options and/or Questions for Community Comment Available



## New gTLD Applicant Freedom of Expression

### **Preliminary Recommendations / Implementation Guidance and/or Questions / Options:**

- Specific implementation guidance should be provided in the Applicant Guidebook and to evaluators to include Principle G's protection for applicant freedom of expression rights in the evaluation process and to include freedom of expression rights in the balancing with other legitimate interests.

### String Similarity Evaluation (1/2)

#### Preliminary Recommendations / Implementation Guidance:

- Work Track members supported prohibiting plurals and singulars of the same word within the same language/script in order to reduce the risk of confusion. For example, the combination of .CAR and .CARS would not be allowed. The WT recommends expanding the scope of the String Similarity Review to encompass single/plurals of TLDs on a per-language basis. A dictionary should be the tool used to determine the singular and/or plural version of the string for the specific language. In this expanded process, applications for single/plural variations of each string would be placed in a contention set and applications for a single/plural variations of an existing string would not be permitted.
- The WT noted that applications should not automatically be disqualified because of a single letter difference with an existing TLD application, or reserved name. For example, .NEW and .NEWS should both be allowed.
- Work Track members further agreed that the use of the SWORD Tool should be eliminated in subsequent procedures. Some Work Track members suggested that the algorithm could be revised to produce results that are more useful for informing the review process. Other Work Track members were not confident that a updated SWORD Tool would provide sufficiently consistent and predictable results.

## String Similarity Evaluation (2/2)

### Questions for Community Input:

- Does the community believe that it is a worth the resource investment (financial and otherwise) for ICANN to have the SWORD algorithm rewritten, or should the tool be eliminated in subsequent procedures?
- Is there support for the proposed changes with regard to singulars and plurals, to ensure consistency and predictability in subsequent procedures? As singular/plural string similarity is not based on visual similarity, are there any other linguistic groupings that should be accounted for in policy recommendations?
- Does the community support the idea of limiting String Similarity Evaluation results and contention sets to TLDs in the same language/script?

## Objections (1/2)

### Preliminary Recommendations / Implementation Guidance:

- A transparent process should be put in place to address potential conflicts of interest among panelists and independent objectors before the the substance of the case is addressed.
- The parties to a proceeding should be given the opportunity to agree whether the case will be decided by a single panelist or a three-person panel. Parties will bear the costs accordingly.
- Dispute resolution providers and objections panels must be given clear and detailed instructions to guide decision making.

## Objections (2/2)

### Questions for Community Input:

- Should a panel of Independent Objectors be created rather than having a single IO?
  - Should these be various subject matter experts?
- Can the fees be restructured to reduce “gaming”?
- Can the “quick look” mechanism be improved to eliminate frivolous objections before they are instituted?
- Should ICANN continue to fund the ALAC or any party to file objections on behalf of others?
- Should the same entity be able to be both apply for CPE and file a Community based objection for the same string?

## Accountability Mechanisms (1/2)

### Preliminary Recommendations / Implementation Guidance:

- A new mechanism should be created to handle appeals related to the new gTLD application process.

## Accountability Mechanisms (2/2)

### Questions for Community Input:

With respect to establishing a new appeal process, the members of the work track have considered the following question where input from the community is welcome:

- Should the process make a distinction between appeals relating to substantive and procedural issues?
  - At this point the group is leaning towards “yes” though the specifics of where the line would be drawn between the two has not yet been agreed upon.
- Who is an appropriate final arbiter?
  - Two options that have been suggested are a panel of subject matter expert or a fully informed ICANN Board. No agreement has been reached as each option seems problematic in numerous ways.

## Community Applications (1/2)

### Preliminary Recommendations / Implementation Guidance:

- Increase the transparency and predictability in the application process.
- Applications should be evaluated in a shorter time period.
- Evaluation procedures should be developed BEFORE the application process opens.
- Need opportunity for dialogue and clarifying questions in CPE process.
- Less restrictive word count for communities to engage in clarifying and providing information.



## Community Applications (2/2)

### Questions for Community Input:

- How would you define “community” for the purposes of community-based applications in the New gTLD Program?
- What attributes are appropriate?
- Should community-based applications receive any differential treatment beyond the chance to participate in CPE, in the event of string contention?
- Should additional outcomes beyond awarding the TLD be considered for CPE?
- What specific changes to the CPE criteria should be considered, if the mechanism is maintained?

# Status Update Overview: Work Track 4

4 Work Track Topics		Recs/IG	Questions/ Options
1	Internationalized Domain Names		
2	Security and Stability		
3	Applicant Reviews: Technical/Operational and Financial		
4	Name Collisions		
5	Universal Acceptance		

## Internationalized Domain Names (IDNs) (1/2)

### Preliminary Recommendations / Implementation Guidance:

- IDN gTLDs deemed to be variants of already existing or applied for TLDs will be allowed provided: (1) they have the same registry operator implementing, by force of written agreement, a policy of cross-Variant TLD bundling and (2) The applicable RZ-LGR is already available at the time of application submission.
- 1-Unicode character gTLDs may be allowed for script/language combinations where a character is an ideograph (or ideogram) and do not introduce confusion risks that rise above commonplace similarities

## Internationalized Domain Names (IDNs) (2/2)

### Questions for Community Input:

- For recommendation [insert final recommendation number] above, can the more general “ideograph (or ideogram)” be made more precise and predictable by identifying the specific scripts where the recommendation would apply? Please see script names in ISO 15924.
- Should the policy of cross-variant TLD bundling be unified for all future new gTLDs or could be it TLD-specific? If unified, should it be prescribed in the WG final report or chosen at implementation? If TLD-specific, could it be any policy that adequately protects registrants or would it need to be chosen from a menu of possible bundling implementations ? [include current bundling possibilities]
- Are there any known specific scripts that would require manual validation or invalidation of a proposed IDN TLD ?

## Security and Stability

### Preliminary Recommendations / Implementation Guidance:

- The application submission system should do all feasible algorithmic checking of TLDs, including against RZ-LGRs and ASCII string requirements, to better ensure that only valid ASCII and IDN TLDs can be submitted. Only when a proposed TLD doesn't fit all the conditions for automatic checking that manual review should occur to validate or invalidate the application.
- Consider name collisions as a potential security and stability issue and ensure that it is properly accounted for in the process.
- Consider root-zone scaling based on evidence during delegation and not rely on interaction with other process limitations
- Split RST (Registry System Testing) between overall RSP matters and specific TLD testing
- Remove a better part or all of self-certification assessments from RST
- Rely on SLA Monitoring for most if not all overall RSP testing in RST
- Limiting IDN testing to specific TLD policy, do not perform IDN table review in RST
- Include additional operational in RST tests to assess readiness for DNSSEC contingencies (key roll-over, zone resigning)

## Applicant Reviews: Technical & Operational and Financial Evaluation (1/5)

### Preliminary Recommendations / Implementation Guidance for all evaluations:

- Publish (during the procedure) any CQs and CQ responses regarding already published responses. Restrict scoring to 0-1 points only, with no section scores, only pass/fail.

## Applicant Reviews: Technical & Operational and Financial Evaluation (2/5)

### Preliminary Recommendations / Implementation Guidance on Technical Evaluation:

- Allow for an RSP Pre-approval program that would make technical evaluation not required for specific application that has either selected an RSP or agrees to seek a pre-approved RSP after being approved in evaluations and objections
- Consolidate technical evaluation among applications as much as feasible even when not using a pre-approved RSP
- For applicants outsourcing RSP, clarify each question as applying to RSP infrastructure or registry structure/policy
- Do not require a full IT/Ops security policy from applicants
- Perform an analysis of CQs and include 2012 post-AGB guidance to improve clarity of each question, but otherwise retain the same questions (except Q30b - Security Policy)

## Applicant Reviews: Technical & Operational and Financial Evaluation (3/5)

### Preliminary Recommendations / Implementation Guidance on Financial Evaluation:

- Require COI only at contracting time
- Instead of the 2012 AGB model, compose a model with the following 5 characteristics:
  - It's up to applicant to identify if the proposed financials apply to all its applications, a subset of them or a single one
  - ICANN won't provide any kind of financial models or tools, just define goals and publish lists of RSPs, organisations (like RySG and BRG) and consultants
  - Goals are for applicant to demonstrate financial wherewithal and assure long-term survivability of registry considering stress conditions like not achieving revenue goals, exceeding expenses, funding shortfalls or spreading thin with too many TLDs; goals should be homogenous in criteria, different in implementation depending on revenue dependence of the TLD(s)
  - If an officer of the company is bound by professional duties in applicant jurisdiction to represent financials correctly, applicant is a publicly-listed company in a large stock exchange or is a current RO that has not defaulted and hasn't triggered COI, applicant can self-certify that planning was made toward those goals
  - Applicant is required to provide credible 3rd-party certification of those goals if self-certification above is not used or achievable



## Applicant Reviews: Technical & Operational and Financial Evaluation (4/5)

### Question for WT4 on Registry Services Evaluation:

- Allow for a set of pre-approved services that don't require registry services evaluation; that set should include at least:
  - Base contract required services (EPP, DNS publishing etc.)
  - IDN services following IDN Guidelines
  - BTAPPA ("Bulk Transfer After Partial Portfolio Acquisition")

or

- Allow for a set of pre-approved services that don't require registry services evaluation; that set should be base services plus "[Registry Agreement Amendment Templates for Commonly Requested Services](#)"
- Applicants would inform which of the pre-approved services they want to be initially allowed in the registry agreement for that TLD.
- Formally use Registry Services Evaluation Procedure to assess services that are not pre-approved, although not applying Registry Services Evaluation Policy to them, providing isonomic treatment with already established registries applying for new services.

or

(Formally use Registry Services Evaluation Procedure and personnel)

- In order to not hinder innovation, applications with non pre-approved services should not pay a higher application fee or wait longer for application results.

or

(no guidance)

## Applicant Reviews: Technical & Operational and Financial Evaluation (5/5)

### Questions for Community Input:

- While a financial evaluation model reached general agreement, an option with more complex evaluations was proposed with reasoning specific to a scenario where there are already many commercial TLDs operating and a number of delegated but yet unlaunched ones. Description of the reasoning is available at [\[wiki link\]](#) and of the model at [\[wiki link\]](#). Feedback is welcome.
- Are there drawbacks of consolidating evaluations? If there are, are those drawbacks a higher problem than the gains achieved by consolidation?
- Which financial model seems preferable and why?
- How do you shield ICANN from liability when suggesting possible consultants for the financial model? Should it be restricted to only suggest ICANN community organisations like RySG and BRG?
- The requirement for financial statements was one of the main sources of failed evaluations in 2012, and while most of the financial evaluation is being suggested to change, this item is not. How to avoid repetition of this outcome?
- An alternative to registry services evaluation was to not allow any services to be informed at application and require all such services to be requested after contracting. What would be the pros of that alternative and cons of the mentioned approach that could justify changing that decision? Not adding cost and time to applications that proposed new services likely increases cost and processing time for “vanilla” applications. Would that be more aligned or less aligned with the new gTLD program goals?
- Non-mandatory block-type RPMs (usually known as protected marks lists) failed to get general agreement to be included in pre-approved services list. Should that decision be revisited?

## Name Collisions (1/2)

### Preliminary Recommendations / Implementation Guidance:

- Include name collisions as an evaluation and transition to delegation factor.
- Use data-driven methodologies using trusted research-accessible data sources like DITL and ORDINAL.
- Include name collisions in planning of the procedure, which would be done by releasing two lists: one of “do not apply” strings that would be disallowed by the application system, one of “exercise care” strings where there would be a strong presumption that a specific mitigation framework would be required.
- Allow every application, whether or not in the “exercise care” list, to file a name collision mitigation framework.
- Evaluate every string as to name collisions risk, putting them into 3 baskets: high risk, aggravated risk and low risk.
- Aggravated risk strings would require a non-standard mitigation framework to move forward in the process; the proposed framework would be evaluated by an RSTEP panel.
- Low risk strings would start controlled interruption as soon as such finding is reached, done by the ICANN Organization for a minimum period of 90 days but likely more considering the typical timeline for evaluation, contracting and delegation.
- If controlled interruption (CI) for an specific label is found to cause disruption, ICANN Org could decide to disable CI for that label while the disruption is fixed, provided that minimum CI period still applied to that label

## Name Collisions (2/2)

### Questions for Community Input:

- The controlled interruption period was kept 90 days due to lack of consensus in changing it. Some evidence indicated a 60-day period would be enough, others still believe it should be 120 days. What length do you suggest and why?
- The 2-year readiness for possible collisions was kept as it was, but the service level for 2012 was mentioned as too demanding. What would be a reasonable response time?
- By making a initial delegation of strings to a controlled interruption platform and later to the registry, would that double the changes to root zone ?
- Since WT4 didn't have time to go thru the issues of collisions on legacy gTLDs, how do you suggest the Full WG to consider this topic for the Final Report ?
-

## Universal Acceptance

### Preliminary Recommendations / Implementation Guidance:

- Amended Principle B: Some new generic top-level domains should be internationalized domain names (IDNs), although applicants should be made aware of universal acceptance challenges in ASCII and IDN TLDs.