

Attendance - 13 Members

Cheryl Langdon-Orr (CLO- PDP Co-Chair)
Christa Taylor
Jeff Neuman
Jessica Hooper
Jim Prendergast
Juan Manuel Rojas
Kathy Kleiman
Michael Casadevall
Phil Buckingham
Rubens Kuhl
Susan Payne
Vanda Scartezini

On audio only: Sarah Langstone

Apologies: Katrin Ohlmer, Kristine Dorrain

Staff: Emily Barabas, Julie Hedlund, Steve Chan, Julie Bisland

AC Chat:

Julie Bisland:Welcome to the New gTLD Subsequent Procedures PDP - Sub Group B call on Tuesday, 27 November 2018 at 20:00 UTC

Julie Bisland:Agenda wiki page: <https://community.icann.org/x/AAHuBQ>

Vanda Scartezini:hi everyone...

Julie Bisland:Hello Vanda! Welcome :)

Juan Manuel Rojas:Hi Vanda, Hi Everyone!

Vanda Scartezini:hi Julie..

Vanda Scartezini:it is ok

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Hmm My AC room was very S l o w to load

Rubens Kuhl:This one, Christa.

Cheryl Langdon-Orr (CLO- PDP Co-Chair):only 3 orange bars on my Internet connectivity in the AC so I suspect the heavy storms around here are effecting my satalite connection to the NBN ... apologies in advance if my chat is out of Sync

Cheryl Langdon-Orr (CLO- PDP Co-Chair):you have >5 beyond the LT so you are past (just) our minimum ... hopefully more to coe though

Julie Hedlund:Link: https://urldefense.proofpoint.com/v2/url?u=https-3A_docs.google.com_spreadsheets_d_133WbhWYB4M4kT6DqSfiCR2-2Dij7jxNkLj5EWZL-2DNA95M_edit-3Fusp-3Dsharing&d=DwlCaQ&c=FmY1u3PjP6wrcrwlI3mSVzgfkbPSS6sJms7xcl4I5cM&r=QiF-05YzARoSrVtYd84AB_UYInlydmFcjNmBM5XgySw&m=JAMjcp3L8CsuWea8z46us7TS2Z6Uxl9tajcn9Amqjas&s=OeZ6R6K65QvRZiyU4-JB-9dsUb2LOSUw7RKB74CFZlg&e=

Kathy Kleiman:Hi All -- sorry to be late.

Kathy Kleiman:Do we know how much it cost to process an application in Round 1?

Jim Prendergast:the application process portions of the \$185k was \$100k

Jim Prendergast:But im not sure if we know what it actually cost ICANN

Vanda Scartezini:guess ICANN will have jsut an aproximated value because we never know how many new applicants will show up

Kathy Kleiman:Tx Jim and Vanda.

Vanda Scartezini:the frist round demanded much more work done since all was new so the cost this round should be less by applicant than the last round

Michael Casadevall:Apologizes for being late

Kathy Kleiman:Has anyone asked ICANN what it cost -- approx?

Rubens Kuhl:I believe the Mark Monitor comment is more of a defense of an application fee floor.

Vanda Scartezini:as Jim said above, around 100 k for applicant last round

Vanda Scartezini:I beleive revenue neutral is relevant. so we also have the opportunity to send the any excess to support more projects under the way will be recommended by Auction proceed

Michael Casadevall:audio is going in and out with me.

Vanda Scartezini:Michael, not for me

Michael Casadevall:I need to reconnect

Jim Prendergast:\$25k for historical development costs and \$60k for legal fund

Phil Buckingham:Hi Kathy , that is a good question ! So we now 1225 TLD. as the denominator. I guess ICANN would need to go through the accounting actuals of the GDD (including absorption / allocation of other ICANN staff time and departments) since January 2012. Quite a financial exercise !!

Julie Bisland:@Michael: if you'd like a dial out, please message me and we can get you connected

Rubens Kuhl:85k was the sum of legal fund and previous efforts cost recovery, if I recall correctly.

Cheryl Langdon-Orr (CLO- PDP Co-Chair):We also have some people suggesting use of finds for allied aspects such as Compliance and Sec-Stab

Kathy Kleiman:Tx!

Jeff Neuman:My computer is giving me some issues now, though I have raised my hand. In the report we define the application costs as covering those costs that occur between the actual launch of the program up through the delegation of a TLD. The application fee is not intended to fund anything that occurs post delegation of a TLD.

Jeff Neuman:So covering GDD, compliance, etc. is not currently anticipated as an application cost

Kathy Kleiman:@Cheryl: what is the scope (and \$\$\$) of the "including contingent programs such as the expansion of contract compliance capability"? Ballpark - are we talking hundreds of thousands or millions?

Kathy Kleiman:(from ALAC comment) Tx!

Jeff Neuman:Neither is contract compliance

Phil Buckingham:So ICANN need to work out some kind of projections on the expected number of applications .

Kathy Kleiman:@But Jeff, the subteam just moved the ALAC suggestion over to the full WG...

Michael Casadevall:I meant the concept of have floors and prices set, not havin the specific numbers right this moment.

Kathy Kleiman:I agree with Michael C...

Jeff Neuman:That may be, but at this point we should not make any assumptions other than what is in the report

Cheryl Langdon-Orr (CLO- PDP Co-Chair):it is a triage exercise of the inputs... Yes Correct @Steve

Michael Casadevall:That's my point, I'm saying this something to be put on how floors would work with the full WG

Cheryl Langdon-Orr (CLO- PDP Co-Chair):I am nog here representing ALAC @Kathy NP

Cheryl Langdon-Orr (CLO- PDP Co-Chair):I am all about the process and getting the 'trains to run on time' :-)

Michael Casadevall:Agree w/ Kathy

Kathy Kleiman:Don't hit your head!

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Yes there was extensive discussion on this issue @Christa
Cheryl Langdon-Orr (CLO- PDP Co-Chair):and your WT was frustrated in its efforts to get data

Kathy Kleiman:Yes, make a note of our thoughts, as expressed by Jeff, on this new idea.

Kathy Kleiman:I think \$500,000 would be way too high!

Kathy Kleiman:A bar for the sake of making a bar.

Michael Casadevall:While we might not have \$\$\$ amounts right now, but having a discussion on approach I think is in scope to refer to the full WG as part of the notes.

Jeff Neuman: :)

Jeff Neuman:Sorry, I meant the time period in which application costs are measured...not when reviewed

Jeff Neuman:In other words application costs cover the time from when an application is submitted to when delegated.

Vanda Scartezini:+ 1 Michael

Phil Buckingham:Yes they are Jim .

Michael Casadevall:++ Jeff

Jim Prendergast:good point

Jim Prendergast:but nothing was done about it until the new gTLD program

Michael Casadevall:there are also things like relating name collision research and *list goes on*

Michael Casadevall:I think this issue needs to go to the next full WG meeting as an agenda item.

Jeff Neuman:Sorry :(

Phil Buckingham:Yes I agree Jim . add Contractual compliance costs , TMCH costs , COI Costs , Programme launch costs (to recover)

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Thank you for that reminder @Christa

Jeff Neuman:I am guilty of delaying us. I will keep quiet :)

Michael Casadevall:Jeff: don't worry, I feel like I do that most of these subgroup meetings >.<;

Jeff Neuman:Name collision also existing prior to the new gtld program and will continue to exist afterwards

Jim Prendergast:as pointed out in the RySG comments, and along what Jeff said, we cannot let any excess funds in the next round be used as a honey pot for ICANN projects without community involvement. ICANN shouldnt be able to just dip into them to pay staff or for other ICANN directed projects

Phil Buckingham:Yes Jeff , Name collision - another recovery cost for Round 2

Jeff Neuman:@Phil - actually my point is different. We should not be looking to the new TLD application fee to recover costs for things like Name Collision, Universal Acceptance and any other program that ICANN Org could tangentially tie to TLDs.

Vanda Scartezini:i agree Jeff, this is a endless cost and will never go further

Jeff Neuman:That is all part of the ongoing budget and the ongoing fees that are paid. Remember, all registries owe a minimum of \$25k to ICANN. Then for all registries with more than 50,000 names, they get an extra .25 per name.

Phil Buckingham:Ok Jeff , so ICANN recovers the / a fixed cost of use by an individual application where applicable .

Jim Prendergast:in the absence of an abundance of free chash floating around and the need to finsih the work on name collisisions and Universal Acceptance, excess fees is the logical place to fund those items. Unless ICANN reorgs and dials back some of the rapid expansion from the previous administration, there will be no room in the ICANN budget for those items, expecially when they are not expected to contribute \$4 million per year to the reserve fund.

Jim Prendergast:now expected ^

Jeff Neuman:@Jim - I have no comment as to have excess funds are to be used either now or in the future. My point (as an individual - not as co-chair) is that we should not tag future applicants with the costs ICANN has racked up on these programs

Jeff Neuman:That's not fair to the new applicants and doesn't encourage fiscal responsibility for ICANN

Jeff Neuman:If there is some excess, then that is another story

Cheryl Langdon-Orr (CLO- PDP Co-Chair):I have another call at the top of the hour so will leave the audio channel close to that time I will try to stay in AC until you wrap today though... Apologies in advance

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Costing methodology is a significant issue as was predicted out of WT1 of course

Vanda Scartezini:yes cheryl we are going slow.... I will need to run to my class starting in one hour and traffic here is huge...

Jim Prendergast:they could fund much of it with the existing excess fees and not burden future applicants. and agree - the future goal should be no excess fees. That solves a big chunk of that. So that's why it's imperative we have a much more accurate costing exercise from ICANN before setting the fee.

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Certainly @Jim

Phil Buckingham:Agreed Jeff.

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Good point @Jeff core business must be well 'Core' and funded regardless

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Good plan @Christa

Rubens Kuhl:2.5.2 Variable Fess

Cheryl Langdon-Orr (CLO- PDP Co-Chair):Thanks everyone ... good progress :-) Bye for now

Rubens Kuhl:Thanks all!

Rubens Kuhl:Bye!

Juan Manuel Rojas:Thanks all

Vanda Scartezini:thank you all nice week to all

Emily Barabas:One week from today

Steve Chan:2.5.1 is Application Fees. Kathy, is there somewhere where it is referenced wrong?

Emily Barabas:4 December

Kathy Kleiman:Yes, Steve, please see the title of this document -- at the very top

Phil Buckingham:Great job thanks Christa