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ICANN73 | Virtual Community Forum – New gTLD Subsequent Procedures: Operational Design Phase  
Monday, March 7, 2022 – 12:30 to 14:00 AST

MARYAM BAKOSHI:

Hello and welcome to the new gTLD Subsequent Procedures Operational Design Phase session. My name is Maryam Bakoshi and I am the remote participation manager for this session.

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Interpretation for this session will include English, Chinese, French, Russian, Spanish, and Arabic. Click on interpretation ICANN in Zoom and select the language you will listen to during this session.

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KAREN LENTZ:

Thank you very much, Maryam. Welcome, everyone, to Day 1 of ICANN73 and to this session. My name is Karen Lentz. I am vice president of Policy Research and Stakeholder Programs at ICANN. We are talking today about the New gTLD Subsequent Procedures Operational Design Phase. And before we go into the additional content here, I'll explain a little bit about the title for anyone who may be new to this area.

Part of ICANN's responsibilities as regards to the domain name system is to manage the addition of top-level domains to the domain name system, what are the conditions and rules for when TLDs can be added. That's something that the ICANN community has been working on for a very long time. There have been in the past application rounds where entities have proposed, here's a new generic top-level domain that they would like to add. Many of those have been added over the years.

Most recently, in 2012, when there was an application round that—sorry, stay on the title for a moment, please, the slide. Thank you. When there was an application round, that was the first opportunity for generic top-level domains in scripts other than ASCII or Latin script. And since that round, the community has continued to do policy work looking at what to keep or look at possibly modifying at the policy level when considering future procedures for adding new gTLDs. And so the name of that working group was Subsequent Procedures or abbreviated SubPro. So when you hear that term, that's what we're talking about.

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So what we're talking about here is the policy recommendations that were completed by this working group, where we are now conducting an Operational Design Phase, looking at those recommendations for how they could be implemented in terms of a model. And so this is what we are focusing on today, this Operational Design Phase, which is looking at providing information to the Board of ICANN, the Board of Directors of ICANN, on risks and costs and design components of implementing these recommendations, should we decide to do so. So that's an introduction just to the terminology that we're using when we talk about SubPro or new gTLDs or ODP, which is the Operational Design Phase. Okay. Next slide, please.

So this is a little bit about how the session will work. We'll talk in the beginning about how the Operational Design Phase is organized. It's quite a complex effort because there are so many policy recommendations and they cover a range of topics and types of issues. So we'll talk about how we're organizing the Operational Design Phase, and then we will, in the second part, talk about assumptions. There is an Assumptions document that is posted on the page for this session, and that is a subset of the variety of assumptions that we're working with now for the ODP. There will be a poll at that point for which are the topics that people want to hear more about and have feedback on, so stay tuned for that in the second half. And then at the end, we will have Q&A and discussion, first on the assumptions that were selected in the poll. Then there's general Q&A at the end. So you'll be able to put a question in the chat, as noted by tagging it with question in the chat, and you'll also be able to raise

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your hand and speak if you have questions. Next slide, please. Thank you.

So I thought this would be helpful, again, for some context as to what are some of themes and objectives of having another round of new gTLDs. The community has identified some of these components. Most of them were noted in the GNSO PDP on the introduction of new gTLDs in 2007. Some of the objectives that they mentioned there were providing more choices to users, being able to serve global populations with local languages, being able to provide opportunities for businesses and communities. When we talk about UA, which is Universal Acceptance, that has to do with not only being able to introduce new top-level domains but also making sure that they are able to function in a variety of applications and software. So these themes were affirmed in the Subsequent Procedures PDP and these are important principles to keep in mind in terms of how planning for the next round and working towards that is part of the work that ICANN does. Next slide, please.

So you're going to hear the word assumptions in this session quite a bit, and that is because we have begun the Operational Design Phase. We're focusing a lot on the assumptions that will inform our planning during the space. There were a set of assumptions that were shared with the community starting in 2019. That was while the Subsequent Procedures PDP was in progress and a lot of those were based on kind of unknowns. We would call them pre-planning assumptions. So it was unknown, exactly what the policy recommendations would turn out to be. And then there were also some operational kind of assumptions

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around costs and so forth. These were shared with the community during that interval. We've compared what we had then with what we know now based on the policy recommendations from the community.

There's really only one of the original pre-planning assumptions, which you see in the link there on the slide. There's really the only one that completely changed, and that was the one about delegation rates. So in our pre-planning assumptions, we had noted in assumption that there would be a limit of 1000 top-level domains to be delegated within a year as a maximum, as an upper limit. The policy recommendations that we have as well as some of the other advice is saying to focus more on the rate of change rather than picking a maximum number. So that's one thing that we've recorded. And so these pre-planning assumptions are being carried over with the update that I just mentioned into the assumptions that we're working with in the ODP. Can we go to the next slide?

So this is looking at how we're continuing to evolve the assumptions. As you might imagine, there are many of these that sort of fall into different categories. So if you look at an assumption regarding a policy recommendation and what it means and how it's intended to work, we use for context to that from the SubPro final report. And for policy level assumptions, we also have a liaison to the GNSO Council. That role is being served by Jeff Neuman currently. We are able to pose questions and assumptions regarding the policy recommendations that are funneled through the GNSO Council for responses. We also have what we're calling work track and project level assumptions. So

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Chris will talk in a moment about what a work track is and what a project is and how this work is being organized. But sometimes we have an assumption that relates to work track such as something on communications or a more limited project. So for example, if we have a project on string similarity, there can be assumptions that are just specific to that project. There also are what you would think of as high-level planning assumptions, things that would focus, would be mainly internal to the org such as, are we going to engage a third party, would be engaged with third party to perform this process versus hiring somebody versus doing it on our own.

So we're going to talk about some of the assumptions in this session. Because there are so many and they relate to so many different types of work, we're in the process of organizing those, and those will become part of the Operational Design Assessment. But we've picked a subset of those assumptions to cover today and that will be, as I noted, the second half of the session. We found fitting assumptions to be useful in terms of identifying where people don't have the same assumption so that that can be clear and those can be fleshed out as far as what's intended with the policy. Okay. Next slide, please.

So these are some of the names and faces that you'll hear in the presentation today. There are many other staff members across the organization who are working on the ODP with us, and you'll hear from them perhaps in the Q&A and in future ODP sessions. Next slide.

Okay. I'm going to turn it over to Chris Bare, who's going to talk about some of the project organization. Chris?

CHRIS BARE:

Thank you, Karen. And as you saw from that last slide, I am Chris Bare. I'm a director in the Strategic Initiatives Team and I'm going to go over a little bit about how we've broken down the work. Can we go to the next slide, please?

So you may have seen this slide before. It is a breakdown of how we intend to do the work or how we're actually already doing the work. As Karen noted, the final report had a number of outputs, in fact, 300 affirmations, implementation guidance, and recommendations. That covered 41 different topics. And knowing how that large amount of work would need to be addressed, we went through and broke it down into different work tracks as we call them. Those work tracks included both the topics themselves, several of the topics were assigned to those work tracks, as well as activities and tasks that would need to be done. Each of those work tracks is anchored by a function or department within the organization that aligns to what the work track is.

So for example, we have a comms work track for communications. We have a resources and staffing for those aspects, and there's one for finance as well, as you can see on the screen. But that doesn't mean it's limited to just people from those departments or functions. All of these work tracks are cross-functional in nature and they are addressing the work cross functionally bringing in members from around the organization to help. If you look on here, it's kind of hard to tell, but anything with a number in parentheses after it actually

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refers to the topic number from the GNSO final report. Next slide, please.

We thought it'd be useful to get an understanding of how the topics are being addressed since the topics are what was in the final report. If you look down at the bottom, there's a Topic Manager and a Final Report Topic Project Team. So it could be one project team, it could be multiple projects, depending on the size and scope of the topic itself. But the work, the analysis, all of what you would expect to be done in order to build that ODA, the Operational Design Assessment, is actually happening at that level. However, you can see the structure in green is the work track itself, how the projects are organized underneath there. And there is in fact a structure that goes up to what's called the work track lead group, that's the group at the top, and that has the project sponsor in charge of it. While the solutioning or the analysis is done at those lower levels, any decisions that are made or issues that might come up are brought up through the work track resolve there, and if it needs to, can go up to the work track leads for resolution.

Additionally, since there is a cross-functional element, both within the work tracks and definitely at the work track lead level, that's where a lot of those interdependencies and points where certain projects or certain topics are reliant on other ones or other activities that are going on can be discussed and resolved at that point. Can we go to the next slide, please?



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So this is just a very high-level view of how we're approaching each topic assessment. We wanted to bring this out to show that it isn't just looking at a recommendation and analyzing what that recommendation is. There are other steps involved. So while a lot of the work is happening at that first policy recommendation analysis level, that's where we're going over what happened in the 2012 round, if it's relevant, if there are any recommendations from the Implementation Review report that the org did several years ago, and of course, the actual outputs themselves from the final report, which are driving most of this activity. There's also the assumptions that Karen talked about, developing those assumptions to lay the groundwork for our understanding, to get alignment, and to get clarity on any of the aspects that are in there.

The next step in this after that is analyzed, and there's a either a recommendation or possible solutions that might come out of that, or an implementation plan, I should say, is to draft a high-level process of how it might work. That would be the second step in there. And then eventually going to figuring out, what would it take to actually operationalize or implement that? So any systems, any staffing costs associated with that, all of those aspects would be put together into the last step, which, of course, is the generation of the ODA, the Operational Design Assessment. And that's, of course, intended for the Board to facilitate their decision-making. Next slide, please. Next slide, please. There we go. All right. Thank you.

Since the assumptions are one of the earliest aspects of what we're generating as a deliverable, and the importance of them is really to

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build that alignment to have a chance to clarify any questions that exist out there, and to also provide guidance for the teams as they design an implementation plan or to design a solution for or a process, the assumptions life cycle is very important to understand. So we spent the last several months, as Karen has said, going over assumptions. The planning level assumptions were the prior ones that she talked about. But also, recently, as the work tracks have come together, we started to put together our topic level in work track assumptions and also a number of operational assumptions. They're discussed by the different work track groups and some of them will be shown today.

And then by showing it to the community and sharing them around, the idea is to make sure that there's an understanding that we, in fact, are aligned on the same goals on each of these. We can clarify any questions or possible choices that might be out there. Once we get that information back, we validate that by incorporating in updating the assumptions as needed, and then using those when we actually design a process going forward. One thing to note is this is an ongoing—yes?

KAREN LENTZ: Sorry to interrupt. Can you go a little bit slower, please, for the translator?

CHRIS BARE: Oh, apologies. Yes.

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KAREN LENTZ: Thank you.

CHRIS BARE: So if we look at the fact that our knowledge and our understanding of the complexities of what has to happen change over time will mature over time, we can assume that these assumptions will in fact develop as well, they will evolve. And so that's why this is shown as a cyclical process as we will continually need to go back and revise or refine assumptions even after they're made. In addition, there'll be new assumptions that will come up as again our understanding of a situation gets more and more clear. All right, next page, please.

This last aspect here is the high-level timeline. So this is one thing that we do publish on our SubPro ODP webpage. It mainly shows the milestones and kind of highlights of the overall expected 10-month Operational Design Phase. In here, you'll see that there are items in blue, which are the ICANN meetings themselves. There are also items in green, and these are the expected status updates that will be provided to the community along the way. And then the one item in red here, this is an expected point where we will put the pens down in order to finalize our Operational Design Assessment. With that, I will hand it over to Karen.

KAREN LENTZ: Thank you, Chris. Can we go to the next slide, please? So this slide is looking at the Applicant Guidebook that we have for the 2012 round.

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This is one of the resources and artifacts that we have available to us in the ODP. I thought it would be helpful to talk about this because we frequently get questions about, can you reuse what you had before? So we've looked at, kind of done a rough estimate as far as the level of effort that it would take to update the various sections of the guidebook. The guidebook was in six modules, and so those are sort of organized there.

So, overall, in terms of high, medium, low, about a little less than half is a low level of effort. So we either keep what we had or make minimal changes to it, about a quarter. So about 25% was what we call a high level of effort, and that is either something where the policy recommendations were recommending significant changes and updates. There are also a few areas where the policy recommendations recommend something new. So we have to create and build something that didn't exist previously. For example, there's a recommendation for adding an appeals mechanism for the program that that operates at various steps. There's a recommendation to have a pre-evaluation process for registry service providers. So those are all in the new bucket and those are usually a high level of effort.

A couple of other things to point out here are some of the centers of activity. So if you look at the Module 1, for example, that gives an overview of all the processes and what people need to know. There's a section in that that talks about IDNs (Internationalized Domain Names) and what's required there. There's a lot to update there because of all of the work that has happened in the community in the

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recent years having to do with Label Generation Rules and handling of variants. So that's one of our centers of activity.

Another one is that you've seen there's a chunk of Module 5, which is the Transition to Delegation section. And that has to do with Public Interest Commitments and Registry, Voluntary Commitments that go into the Registry Agreement and procedures. There's quite a bit of recommendations around those topics.

Module 3 is interesting because this was the Objection and Dispute Resolution Procedures. And really, from the recommendations, there's very little to change there in terms of the possible grounds for an objection, how the objection process works, or who has standing to object and so forth. So there's a lot of that that is intact.

And then the one thing I will point out—this may be a little misleading—is Module 6, which is the Terms and Conditions. So there's only one section there and the sections aren't related. There are some recommendations on that that indicate a high level of effort. But there's really only one section there.

Anyway, so we thought we would share that with you because one of the things that we've been thinking about in terms of taking advantage of the work that we're doing in the Operational Design Phase is being able to take the outputs where it's ready to be able to make draft updates to be able to streamline some of the work that would be expected to happen if the Board approves these recommendations and we proceed with implementation. So there would still be an IRT and the usual pieces of implementation, but we

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would be able to leverage the work by providing some updates to these sections. So next, we're going to go to Shani on Finance. Next.

SHANI QUIDWAI:

Thanks, Karen. Hello, everyone. This is Shani Quidwai from ICANN Org Finance. I'm going to give a brief overview on the budget that we have available for this work and our plan for tracking the resources and financials and how that will ultimately be communicated back to the community. If we can move to the next slide, please.

In September 2021, the Board approved a budget for ICANN org to execute on the SubPro ODP. That budget is a range of \$7 million to \$9 million, and you can see some of the details here on the slide. That \$7 million to \$9 million was essentially the resourcing and cost needed to execute on this work. It's a blend of hiring new staff to directly work on this program or either backfill some of the existing staff that would be working on on the program. Additionally, we do plan to hire some temporary resources to support the ODP work as some of this work is temporary in nature and doesn't require the need to bring in full-time resources. And then lastly, we did have funds available for external support and expertise.

You'll start to see in all of our financial reporting this cost broken out separately, starting with our budget that posted for public comment in December. That is the first version or reporting where you can start to see what our projected costs were for this work. We do report our financials on a quarterly basis on ICANN org, and you will start to see some of the actual costs being reported in those financials. In addition

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to all of the core financial and planning presentations that we do, Chris had noted before in his timeline slide that there are other milestones and engagement times where we'll share reporting, that a lot of that reporting will include operational and milestones and stuff, so forth, however, will also accompany financials in there.

The org began the ODP work in the month of January. So we have started tracking the level of resources that are working on the project and any costs associated with that. The level of effort in the month of January was fairly low as it was the first month, but we definitely do expect that work to pick up as the work becomes greater and the org adds more resources to free up people to work on it.

So that's essentially all that I had. But I just wanted to give everyone a preview that we have started the tracking of this and you will start to see these costs and operational reporting in the future. Thank you. Could we move to the next slide?

KAREN LENTZ:

Thank you, Shani. I will talk a little bit about communications and how you can follow the work of the Operational Design Phase. Next slide, please.

So, we've noted earlier in the chat that there is a webpage that we have, all of that we compile, all of the ODP materials. That includes a mailing list, which you also see there. You can subscribe to that. And you can also use that to send questions or feedback to the ODP team.

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The archive is also available on that page and you can see the link there.

One of the other things that I would highlight in terms of communications, we do continue to update the Board caucus. There's a Board caucus group on SubPro, as well as the full Board on progress with regard to the Operational Design Phase. We have, as I mentioned earlier, Jeff serving as the GNSO Council liaison and he provides updates to the GNSO stakeholders on our interactions. Also, I wanted to highlight that we are available. If any group within the ICANN community would like to have us come do an update or discuss any particular item, we're open and welcome doing that. So I wanted to make sure you know of that opportunity as available. And then for those of you who are plugged into some of ICANN's regional events and activities, that's another avenue for being able to follow the current work. But the main resource will be that webpage where all of our working materials and all of the communications and blog posts and announcements are also included there. All right, next slide, please.

All right. I'm going to turn it over next to Lars Hoffman who is going to cover this part on the assumptions.

LARS HOFFMANN:

Thank you, Karen. Hi, everyone. I hope you can hear me okay. I had some issues with my audio. Please let me know if that is not clear. I'm going to talk about, as Karen said, about the assumptions. We actually published I think the document of initial set of assumptions a few days



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ago, 3<sup>rd</sup> of March, I want to say, that should be available on the website. Michael currently posted a link as well in the chat right now.

So what I'm going to do is I'm going to talk you through—I believe it's ten, eight subjects, and the assumptions according to those, and then the [inaudible] of it, we're going to have a poll here in the deck to kind of see which three we can discuss maybe in more detail, where you may have questions, whether you require, would like to be clarifications, would like to add something, have any thoughts about these topics specifically. We're doing that poll because talking about ten topics is obviously very time-consuming but we, nevertheless, wanted to share this year, not make the pre-selection ourselves. With that, I'm going to be relatively quick going through these. So we get to the poll, and then we can maybe dive into those a little bit more deeply. With that, Maryam, please, the next slide.

First of all, an overarching assumption for the ODP, which is that the affirmations of 2007 policy recommendations. So when the final report of the SubPro PDP affirmed policy recommendations, that equates also to policy recommendations for this upcoming round or in this final report. If there's affirmations of 2007 implementation guidelines, then these will be treated as such as guidelines as well. Next slide, please.

The next two assumptions here is on topic 2, which is the IRT and the SPIRT. The implementation decisions should skew towards the most simple, clear, and precise solution. The predictability framework does not change the roles and responsibilities of the ICANN Board's, the

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ICANN organization, in relation to implementation of policies. Also, it doesn't change the role of the Implementation Review Team in relation to the implementation of policies. Next slide, please.

The Applications Assessed in Rounds. That is topic 3 of the final report. Applications must be assessed in rounds unless or until the GNSO Council revises this policy recommendation to allow for a different methodology of application submissions and assessment. It is not necessary for ICANN org to close out all applications from around before a new round can be opened. And finally, it is up to the ICANN org to develop around closure and/or transition procedure as needed in line with these recommendations. Square bracket contained in the final report. Then next slide, please.

The Different TLD Types, topic 4, the priority order of processing for IDN strings should continue in future rounds. Next, please.

The registry of Voluntary Commitments, which is part of topic 9. The AGB, which is the Applicant Guidebook, will include a newly developed process to determine if an applied-for string falls into one of four groups as noted in the NGPC Framework. You may recall that was the New gTLD Program Committee. It was part of the Board during the last round. The Applicant Guidebook, the AGB, will be updated to address the criteria for the newly proposed Evaluation Panel to determine which of the four categories as outlined in the NGPC Framework and applied-for string falls on them. Next slide, please.

This is topic 15, Application Fees. The application fee in the upcoming round will be calculated according to the same three components as

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in 2012, which were historical costs, expected application processing costs, and risk costs. Next slide, please.

Applicant Support, topic 17. Fee reduction will be available to eligible applicants. The Applicant Guidebook will contain a list of enforceable eligibility criteria for the Applicant Support Program. Next slide.

Jeff, thank you for the clarification and the chat. I appreciate that.

On closed generics, that is ICANN org in this case, will not develop specific proposals, solutions, for closed generics as part of the ODP until the GNSO Council and GAC process has been completed. If that is news to some of you, there was a letter that was sent out yesterday. It posted, I believe, early this morning, depending on your time zone, obviously, on the ICANN website. Michael, you also posted that link into the chat. Obviously, you can't link from the Zoom Room. Next slide, please.

IDNs, topic 25. IDNs will be an integral part of the next round, and Compliance with Root Zone Label Generation Rules will be required for IDN TLDs and variant and IDN TLDs must also be compliant with IDN 2008.

Security and Stability, topic 26. ICANN will honor the principle of conservatism when adding new gTLDs to the root zone and will focus on the rate of change for the root zone rather than the total number of delegated strings. Therefore, ICANN will delegate TLDs at a rate such that the overall amount of TLDs in the root zone does not increase by more than 5% per month.

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So, I believe those were the assumptions that we have here in the deck and that we published as well. I believe my colleague, Maryam now will walk you, talk you, and lead you through the Zoom poll.

MARYAM BAKOSHI:

Thank you very much, Lars. In order to get a sense of the topics and assumptions that are of great interest to discuss during today's session, we have developed a Zoom poll. Please take a minute to review the list of ten topics and select your top three choices. Top three choices only, please. Thank you. We will close the poll in the next one minute. Thank you very much, everyone. I'll end the poll now.

Based on the results of the poll, we see Different TLD Types (topic 4) has 48%, Application Fees (topic 15) has 45%, and Closed Generics (topic 23) has 34%. Thank you very much. With this, I'll hand it over to Michael Karakash. Michael, please.

MICHAEL KARAKASH:

Hi, everyone. Thank you. I'm going to read a few questions that we have in the chat. The first one is from Donna Austin. She asks, "How will the community input process be undertaken? And how will differences of opinion, if any, be resolved?" I'll hand it over to Karen to respond to this question—oh, to Chris Bare to respond to this first question. Sorry about that.

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CHRIS BARE:

Thank you, Michael, and thank you, Donna, for the question. The org has set up a mailing address, which I think has been mentioned in the chat, it's the [subpro-odp@icann.org](mailto:subpro-odp@icann.org). That's where we expect that we can receive feedback from the community. It'll be posted on the e-mail list in there that you can see. The expectation would be we would get the feedback and also include some kind of a review of that in the ODA as well. So there's reference to it.

The other thing to note is we expect as the work progresses that at the ICANN meetings like ICANN74, there'll be some discussions. We can go in to talk more about the work and what's going on with it. And if there are any things that need to be called out, they can be called that at that point as well. Thank you.

MICHAEL KARAKASH:

Thank you, Chris. We have one more question. This one was from Phil Buckingham. He asked, "Is there a specific e-mail address to apply for roles in the ODP and beyond?" I'll hand it over to Karen for this response.

KAREN LENTZ:

Sure. Thank you, Michael. Hi, Phil. Thanks for the question. So in terms of role, I'll talk about a few things I mentioned, not exactly knowing which type of role you meant. But in terms of roles, as you heard, maybe in an earlier session, we have a lot of open positions that we're hiring for and that link you can find on our website at [icann.org/careers](https://icann.org/careers). Also, when it comes to the ODP itself, there is not

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necessarily a formal role needed to provide input and send questions to the ODP team. If you're involved in the ICANN community as part of a stakeholder group or a supporting organization, there may be roles within those groups that they designate for somebody who is keeping track of or seeking updates on the ODP that relate to that particular group.

Then looking ahead, as you said, ODP and beyond, the results of the ODP go to the ICANN Board who will make a decision on the policy recommendations. And if the recommendations are accepted and we go to implementation, we will form an Implementation Review Team which is open for volunteers, typically. So those are some of the variety of roles that might be relevant to your question. Thank you.

LARS HOFFMANN: Right. I suggest we go to the discussion of the three assumption topics. Maryam, can you just confirm the Different TLD Types, is that correct? Application Fees and Closed Generics, is that right?

MARYAM BAKOSHI: Yes.

LARS HOFFMANN: All right. Would you go to slide 35, please, Maryam? Maybe one more. Maybe the first one isn't—for me it was the slide count. There we are. Then the next one is on the topic 2. Could you just confirm the next slide for me, Maryam, before I go back? I apologize.

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MARYAM BAKOSHI: Topic 14?

LARS HOFFMANN: No, the next slide. That's also the topic 4. Is that right?

MARYAM BAKOSHI: The next slide is topic 9.

LARS HOFFMANN: Okay, very good. Good. I'm sorry about that. Different TLD Types. The priority order of processing for IDN strings should continue in future rounds. I think that was something that happened during the 2012 round as well. The rationale here for having this assumption is the outputs 4.1 and 19.3 in the final report, which in fact state in as many words that the IDN application should continue to receive priority during the next round. I see that Jeff already has his hands on. Jeff, please.

JEFF NEUMAN: Thanks. Hopefully you can hear me. Can you guys hear me?

LARS HOFFMANN: Yes, we can.

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JEFF NEUMAN: Great. I had to switch devices. I just wanted to confirm—and I put this question in the chat so you don't have to address it again—which is that the SubPro final report did have priority for IDN strings but only up to a certain point. There is an actual formula in Recommendation 19.3 if the number of applications exceeds a certain amount. So while it is a priority in terms of batches, it's not an absolute priority. And I just want to make sure that that's part of the assumption, at least for now. I know the Board hasn't adopted all of this, but is it part of the assumption? Thanks.

LARS HOFFMANN: Thanks, Jeff. Yes, we're aware of the formula obviously. That is absolutely very much the assumption to take that into consideration and adhere to the extent possible, hopefully, if there's no issue with that. We'll look at that during the ODP. And then we'll obviously be in touch with the GNSO Council liaison, you, if we see any concerns. And if not, that will be the working assumptions for the implementation. But Karen may want to add something to that.

KAREN LENTZ: Thank you, Lars. To elaborate on what you said, one of the reasons that we had this in here in looking at the variety of TLD types that were discussed in the final report is to confirm this as one of the mechanisms that we do use to support and encourage IDN applications. Given what I said at the beginning that this is one of our goals and hopes for the round is that we'll be able to see a lot more applications for TLDs in local scripts and languages. In light of that



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goal of what we're working on, this is confirmed in the final report that one mechanism that we have is to put the IDN applications at the beginning of the processing order.

There are, as Jeff noted, some caveats, but some details to that having to do with actually how many applications there are and the different mechanisms that would apply in different situations. And those are taken into account also as implementation guidance. But we see this as a confirmation of the principle of supporting IDN and encouraging IDN applications. Thank you.

LARS HOFFMANN:

Thank you, Karen. Jeff, I hope that answered the question. I saw that Anne asked about the formula. I'd put a reference there in the chat with the details in the final report. Any other questions or comments on this topic of Different TDL Types? If that's not the case, I suggest we move to the next topic, which is Application Fee. My colleague Shani will take over the moderation for this here. You see the assumption and the rationale for that. Shani, over to you.

SHANI QUIDWAI:

Apologies, Lar. Would you mind just pointing me to the question again?

LARS HOFFMANN:

No questions yet, Shani. We're just starting to discuss the assumptions here and the application fee on second price. With typing in, I think

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Jeff probably has a first comment here. Jeff and then Shani will be next.

JEFF NEUMAN:

Thanks. Not really a question, but because this is in a chart format, it's brief. So for people that haven't read the SubPro final report or may not know what's the full recommendations, it's the same formula as was in 2012 that was what was recommended. But if you consider all of the recommendations, including things like the Pre-Evaluation Program and the backend operators bearing the costs for those, along with some of the other elements of the program, that doesn't mean that the fees for the next round will be the same as what they were in 2012. So not really a question, just more of a comment, that this is going towards the formula, but just because it's the same formula doesn't mean it will come out as the same as it did in 2012. Thanks.

SHANI QUIDWAI:

Thanks, Jeff. That was very well said and I agree with your comments there. As Jeff had mentioned, the three components are key components of the application fee will be similar in the sense that the application fee will be inclusive of historical development costs, expected application processing costs, and risks costs. However, the actual costs themselves may vary. And one other point to clarify is that these costs relating to the ODP are essentially what would have been some of the costs that would have been classified in the past as historical development costs. The ODP, while we may be calling it something different, it's just bringing more structure and process to

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some of the work was done before in the historical development cost category. I'll pause. I think somebody spoke up.

LARS HOFFMANN:

Thanks, Shani. I have Xavier in the queue, and then Donna.

XAVIER CALVEZ:

Thank you, Lars. Quickly to add to what Shani just said. There's several factors that will influence what the fee will be and how different it will be for the next round than it was for the 2012 round, talk about inflation, talk about experience, talk about all the changes from the future new process to the old process. So there's going to be plenty of factors that will influence the cost.

The other thing I wanted to mention is in Jeff's question, there was embedded the notion of could there be different fees for different situations? I'm not trying to qualify what those situations are. But that is a very important question that is going to be part of the ODP work to a certain extent. For those who were there at the time and remember, the application fee was a single one for the 2012 round. There was application support that could reduce that fee, but otherwise, there was just one fee. Should that stay the case in the future is obviously a question that then will be part of the evaluation as well, including to address Jeff's point. But there may be other reasons or factors to consider differentiation of the fee per different situations of applicants. So just to put that on the table, not answering it but raising it as a question that will be part of the ODP. Thank you.

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LARS HOFFMANN: Thanks, Xavier. Donna, please.

DONNA AUSTIN: Thanks, Lars. Can you hear me okay?

LARS HOFFMANN: Yes, we can.

DONNA AUSTIN: Okay, great. I hope this question is relevant to what we're discussing here. But just on the application fees and one of the challenges that we had in working through this as the SubPro—and I think it's the chicken and egg problem—so how is the team looking at the question of the intent is that the program be cost-neutral and somehow there needs to be an understanding or a best guess at how many applications will be received, and then some kind of calculation to get to an application fee. So I appreciate that there'll be the same three components, but there is that bigger question of how many applications are going to be received, how do we keep this cost neutral, and how does that impact on the application fee? I'm just wondering how that big question is going to be addressed. Thanks.

LARS HOFFMANN: Thank you, Donna. I believe we have Xavier in response. And then, Christopher, you have your hand as well. Xavier, please.

XAVIER CALVEZ:

Thank you, Lars. Thank you, Donna, for the question. It's a very important question, of course. For everyone else who may not have the same knowledge as Donna has, the point of the cost-neutral aspect of the program that Donna mentioned is because, of course, the policy suggests that ICANN, in organizing this round, should collect enough fees to be able to offset the entirety of the cost but no more. Therefore, in theory, the fee should be designed to just cover the expected cost of the program. There's a lot of projection, therefore, that is entering into the process of defining the fee. What do we assume the costs of implementing the program to be, and therefore, how do we design the fee and quantify the fee so that it matches as much as possible this projected cost? Of course, as Donna was pointing out, there is a factor of volume or number of applications that enter into that equation because the higher number of application, the higher the amount of fees, but also the higher amount of costs.

So the chicken and egg challenge is very clear, hopefully, to everyone. And it will be a matter of projection and assumptions. So we're going to need to make an assumption as to the number of applications that we are expecting could be submitted for the next round. We'll probably work on the basis of a range with low, high, and medium part of that range to be able to formulate that assumption and indemnify within that the costs that are a little bit more fixed, the costs that are a little bit more variable per number of applications, and try to manage that equation. It's an art rather than a science. Therefore, they will be a little bit of a leap of faith, if I may use that expression, in doing that

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exercise with intent, of course, to try to project as well as possible the costs and manage the actual costs to that original projection to the extent possible, with a sense of being conservative, of course. Because there's a lot of uncertainty, the timeframe and between the time we develop projections, and the time things actually happened will be also different. Therefore, there's an increasing amount of uncertainty about this. There will be a certain amount of guesswork. It represents a risk for the organization that needs to be managed and that the Board will be also considering. Imagine, for example, that zero application wouldn't be submitted and that, let's say, \$10 million would have been spent on developing the program, that means that that \$10 million represent a potential loss for the organization. That is an illustration or a factor that needs to be considered as part of the exercise.

So, thank you for that question, Donna, a very relevant question. Not an easy one to answer. But the approach that we're going to take is the one of trying to make projections and trying to manage, too, those. Thank you.

LARS HOFFMANN: Thank you, Xavier. I have Christopher in the queue next. Christopher, please.

CHRISTOPHER WILKINSON: It's a great pleasure to be able to log on to this interesting discussion. I have no comment at this stage on this discussion to date. All I would

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like to do particularly on the question of application fees and new applications is to record from my experience that the total cost of launching a new top-level domain is much more than the application fee. And at some juncture, ICANN, GNSO, and in some instances, GAC should get involved with discussing how to be sure that the applications from particular categories of potential gTLDs can in fact be financed. So I don't expect discounting application fees from this or that category of applicants. I don't expect that to resolve that problem. Thank you.

LARS HOFFMAN:

Thank you, Christopher. As you said, it was not a question. So we take that comment on board and with your permission, I'll move on to looking at the time as well the next topic. I don't see any other hands in the queue at the moment. We have just a question here from Anne in the chat. Xavier, are you able to jump on? Otherwise, we can also provide that in there.

XAVIER CALVEZ:

No problem. Thank you. Anne, thank you for the question which is important for everyone to hear. Anne's question is does the fee of the last round covered the cost of the last round so far? Thank you for that question.

So first, the 2012 round is not technically finished because there are still applications being worked on in various different ways. A number of those applications, as many of you know, are in various contention

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procedures, whether it is accountability mechanisms, sometimes there is legal proceedings going on currently on applications from the 2012 round so they are still going on there, still money being spent on it. So with that caveat, in that preamble, currently there are some remaining application fees from 2012 unspent and that are used for the purpose of covering for the costs that continue on the program. But there is currently application fees left, which is therefore an indication that at this stage at least, the fee was sufficient to cover for the cost a little bit above that for the moment. And we are hopeful that, of course, the remaining work on the remaining applications will not consume the entirety of the remaining funnel more than the remaining amount of funds. That's something that addresses your question.

I just wanted to flag as well that we report on the new gTLD 2012 round financials on an ongoing basis throughout the various reporting that we publish on a quarterly as well as annual basis as well as part of the budget process. So if you have interest in that, I'm happy to share the reporting that exists. But it's on our website. They are quarterly, every calendar quarter, and a financial report that's produced on our financial page on icann.org, and various information about that. I'm happy to address for the other ones. Thank you.

LARS HOFFMAN:

Thanks, Xavier. Very good. Maryam, could we please go to slide—I hope it's 42 maybe. Two more. One. Stop. Here we are. That's right. Thank you.



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I think that was the third topic, Closed Generics. The assumption, quick reminder said that ICANN org will not develop specific proposed solutions for closed generics as part of the ODP until the GAC and GNSO Council dialogue process has been completed.

I'm going to give just a little bit of background here for those who may be unfamiliar with the subject. Closed generics, the GNSO Council confirmed in the previous round when implicitly permitted, according to the 2007 final report that contained the recommendations for the 2012 round. Subsequently, the GAC issued advice that closed generics should only be delegated if they serve a public interest. Subsequently, the Board issued a resolution that states that closed generics should not be delegated during the 2012 round. Asking at the same time for policy to be developed on that topic, the PDP working group, SubPro PDP Working Group was not able to reach consensus on this issue. And the Council obviously confirmed when it sent the final report to the Board that there is now no new policy on the issue.

The Board reached out yesterday to the GNSO Council and the GAC, asking for their interest in a dialogue, to see whether there is common ground on the topic of closed generics. If there were to be, then that common ground, whatever may be, would then have to obviously go through a policy process, which then involves the wider community as all policy processes do. So from our end, while this is a Board-initiated process—and for these reasons, not involved in that—the ODP team cannot work on this and make any proposal or proposed solutions as part of the ODP on this topic until that process is completed.

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Very good. I see there's a bit of chat going on. I'm going to catch up on that in a moment. Justine, as your hand this up, please go ahead.

JUSTINE CHEW:

Thank you, Lars. You mentioned that it was the Board's prerogative to start a dialogue with the GAC. And perhaps it's unfair to pose this question to the ODP team, but do you have any idea why the Board selected just GAC as a dialogue partner, as opposed to other parts of community? Thank you.

LARS HOFFMAN:

Justine, yeah. Obviously, I can't speak for the Board. If I read the letter, my understanding is that the Council in 2013 said closed generics should be permitted as per the outputs of 2007. And the GAC issued advice that they should only be permitted under certain circumstances when they serve a public interest. So I think that those two advice and policy output be implicit, obviously not compatible. And so I think the idea is that those two parties come together and see whether there's common ground, that can be then the basis for policy work, which again I'm assuming but strongly assuming that that involves more than the GAC and the GNSO Council that would involve the wider community as any policy development process does. But I will defer here to the Board's communication for further details. I hope that is helpful, however. Thank you.

GÖRAN MARBY:

I'm here representing the Board. Lars, you're correct.

LARS HOFFMAN:

Thank you, Göran. [inaudible]. This dialogue is not there to find a solution and make that the outcome but to start a discussion that can serve as a basis for the wider community. I hope that's helpful. Any additional questions? I see that's not the case. That kind of brings us to the end of the discussion on the assumptions. So, I believe—and looking to my team—that this will now mean that we go to Q&A.

I see there's one other topic. I apologize for that, I hadn't realized that. There's another topic, the PICs and RVCs, which I believe is topic—I'm sorry. I've got my cheat sheet here but I can't find the number now. There we are. One down. I know it's two slides. Thank you. Thanks, Maryam. I apologize.

So here on the RVCs, Registry Voluntary Commitments, topic 9, the AGB will include a new developed process to determine if an applied-for string falls into one of four groups, as noted in the NGPC Framework. This assumption is based on output Recommendation 9.4. I'm not going to read that all here. You see it on the screen. Essentially, the working group recommends that a process be established. That is also the underlying rationale here in column three. Can I see the next slide, please, Maryam?

Then here the second assumption to this on this issue is that the AGB will be updated to address the criteria for the newly proposed Evaluation Panel to determine which of the four categories as outlined in the framework and applied-for string falls under. This assumption goes back to Implementation Guidance 9.6. And the rationale here

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being that the current NGPC Framework developed for the last round, it will be utilized as a supporting document or a reference for this recommendation when we propose a design for the process.

I think this is the overview of those two assumptions. Are there any more questions or comments or thoughts on these two?

CHRISTOPHER WILKINSON: What are the four categories?

LARS HOFFMAN: Thank you, Christopher. I'm just checking whether anybody can pull them up. Karen has hand up already. Karen, please?

KAREN LENTZ: Yes. Just hopefully I've memorized them correctly. But they're highly regulated of various sort of subcategories of sensitive strings. For example, ones relating to inherently governmental functions and things that would relate to or be subject to cyber bullying. Some of those categories were suggested by the GAC's advice in 2013. But the four categories that are referenced in this report are documented in Specifications 11 to the Registry Agreement. So the policy recommendation is recommending that we essentially carry over those four categories as a framework for putting applications in these buckets to determine which obligations they're subject to in the agreement. Thanks.

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LARS HOFFMAN: Thank you, Karen. Very good. I believe this, though, was the last of the assumption topics, which brings us to the general Q&A session. So any questions or comments you have on anything you've heard today? Feel free to raise your hand or add to the chat. Donna, Karen just posted in the chat as well that we noted your suggestions on the approach. So thank you for that. There we are. Donna, please.

DONNA AUSTIN: Thanks, Lars. Just a question about your timeline and what processes that you've put in place to ensure that you meet that timeline. Thanks.

LARS HOFFMAN: Thank you, Donna. Chris or Karen, do either of you want to take that?

KAREN LENTZ: Yes, but I'd like to make sure I heard the question. The question was what mechanisms or approaches are we using to make sure that we can meet the timeline? Yes? Okay.

So, a couple of things. One is that we are trying to be very strict in terms of organization. So you saw all of the chart that Chris showed with the project work tracks and within each work track are a number of sub projects, which have a lead in which have project teams. So part of the intention with that is to have very clear lines of responsibility as to where something is being covered, who owns it, making sure that we're not duplicating efforts. So that's part of the answer is putting into place this very detailed structure, as opposed to

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just sort of having a lot of people try to be involved in all of the various projects. So that's one mechanism that we're using right now.

Hold on. Okay. Thank you. The other thing I would say is we've tried to build in checkpoints. So you see, there's an update every quarter, which we're coming up to the end of a quarter. But there's also a halfway point which we think will be really significant in assessing where we are against where we projected to be. Part of what's intended with those checkpoints is to flag any areas where we need more attention or anything that has the potential to get us stuck and cause a delay. We also have a cross-functional steering group that is looking on a regular basis where we are, where we need resources, getting fundamental questions that we might otherwise get stuck on. Then we also work closely with the SubPro caucus group of the Board, keeping them informed on where we're going, what are some of the questions and issues that we're exploring. So those are some of the things that we're using to try to be able to complete the work that we have in the ODP. Thanks.

LARS HOFFMAN:

Thank you, Karen. I noted a question here in the chat by Christopher Wilkinson. Does the ODP take account of all advice and dissenting opinions on the SubPro report? End of question. Karen, I'm happy to—go ahead. Go ahead, please.

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KAREN LENTZ: Sure. So the answer is I think no in the sense that we're asked to answer the questions that the Board posed around the recommendations that are in the final report. So the Board wouldn't be approving areas that didn't get consensus as recommendations to be sent further to the Board for approval. There were concerns noted. We certainly take note of those also when we're looking at the background and the discussion to a particular topic. But in terms of the scope of the ODP, the work that we're asked to do here is to look at the policy recommendations that were approved and answered the questions around costs, resources, risks, etc., around those. So that's what we're working towards. Thanks.

LARS HOFFMAN: Thank you, Karen. Michael, I guess not a question.

MICHAEL KARAKASH: Yes. We have a new question from Susan Payne. Do you envisage that you need external input and/or research in order to complete this ODP? And how does the newly issued RFP tie into your work?

LARS HOFFMAN: Thank you, Michael. Karen, please.

KAREN LENTZ: Sure. Thank you. I think there were two parts to that question. One was from Susan. One of them was about do we anticipate needing any external resource or vendors during the ODP? The answer is probably.

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In some cases, we're looking for when you look at IT systems, for example, or some of the areas where we don't really have subject matter expertise. Part of the resources that the Board gave us is to be able to engage expertise or additional bandwidth when we need it. So that is part of the financial tracking and reporting that we'll be doing.

As far as the RFP that was posted last week—maybe somebody can add that into the chat. So this is kind of a parallel effort to the ODP, in that we have interest in this round of making sure that we are setting things up in a way that does support the type of community and IDN applications that we want to receive. And also looking at what are some of the potential different approaches that could be in play where there is, for example, a smaller community or a smaller registrant base or you're looking at particular regional conditions that we should take into account and when we're working through the design of the round. So to the extent that the study is done, we will take those into account and into the ODA. But ODP is focused quite a bit on the cost and design of the policy recommendations. So it's a related but independent effort. Thank you.

LARS HOFFMAN: Thank you, Karen. I have Alexander's hand up, then Michael has another question in the chat. But Alexander first, please.

ALEXANDER SCHUBERT: Hi. Sorry, I caught COVID. It's Alexander Schubert at dotAIRPORT. We just mentioned communities. And for some reason, I still don't



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understand since 2005. I am in the business of rallying communities to apply for TLDs and I'm still doing it, for example, the airport community. The last time, for example, dotBERLIN, I'm going out there to the airport communities, and since a lot of years now, and tell them that we have to rally behind an application for dotAIRPORT and that has to be in the hands and owned by the airport community. And naturally, they are always asking the same question. When will those domains be available? When can we apply for that? I'm pretty sure that other communities have the same problem. So if we want to encourage communities to apply for their TLDs, we will have to give them a hint when they can do so, and then we have to stick to it a little bit. I haven't heard anything about application window date projection. Do you have an answer for that?

LARS HOFFMAN:

Thank you, Alexander. I'm just looking at who wants to answer the question. We have Karen. Karen, please.

KAREN LENTZ:

Sure. I will answer that. And thank you, Alexander, for the question and I hope you get well soon. As far as an application timeline, we're really not in the position to know that yet. Part of what we're doing in the ODP work is to assess the time that it would take to implement. So when the Board makes its decision around the policy recommendations, if they say, "Yes, go ahead and implement that," part of what we are creating by doing the ODP is an estimate of how

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long it would take and to end for us to put in place all of the resources that would be needed to operate the round.

There are also some recommendations in the final report that have to do with outreach and communications. So making sure that that information is available in sufficient time that people can absorb and prepare for their applications. So we don't have an expected date at the moment. But the work that we're doing is going towards being able to define that more clearly. Thank you.

ALEXANDER SCHUBERT: Do we have a follow-up question? Do we have at least some kind of rough outlook?

KAREN LENTZ: At the moment, I don't think so because the timeline that we're working towards is to focus on finishing the Operational Design Phase, which sets up all of the future steps. So that's really what we're focusing on is being able to get our work done, our part of the work done so that the rest of the steps can follow as quickly as possible.

LARS HOFFMAN: Thank you, Karen. Michael, have any other questions in the chat?

MICHAEL KARAKASH: I was going to say that we had answered all the questions but I see one. Oh, Jeff responded to—Elisa was asking. But if we missed your

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question that we haven't answered yet and you submitted it into the chat, please let us know so we can respond to it. But at this point, we have answered all questions that have come through. We did want to address a new question from Elisa Cooper about if we have a date, for one we'll have a date.

KAREN LENTZ:

I think that's covered in the previous question about when can we expect to know more? All right. I think Lars is having some background noise issues. So I will take over. Any last questions in the last one minute? And if not, I'd like to thank everybody for attending this session. We are deep into the work of the ODP and look forward to being able to share more of that work with you as it goes. I wish everybody a safe and happy ICANN73. Thank you.

MARYAM BAKOSHI:

Thank you, Karen.

**[END OF TRANSCRIPTION]**