
CR - New gTLD Program Update
Monday, March 12, 2012 – 11:00 to 12:00
ICANN - San Jose, Costa Rica.

Ladies and gentlemen, we will be starting our next session, new gTLDs, program update, in two minutes. If you could kindly take your seats.

Ladies and gentlemen, if you would be kind enough to take your seats, we'd like to start our program.

All right. Once again, ladies and gentlemen, if you're not in this meeting to listen to it, there are lots of places to go and talk, so we are going to begin this meeting.

Ladies and gentlemen, please welcome Kurt Pritz, senior vice president, ICANN.

[Applause]

KURT PRITZ: Good morning, everyone. So I'm just going to give us a second to, like, close the door, because I'm vain.

So I was listening to President Chinchilla's speech, and two points.

One is that it's remarkable that people can be emotionally moved by a speech where they're reading the translation of it. Kind of remarkable.

And two, that she characterized the Internet as a "hope" rather than a "threat."

And I think in our own small way, that's how we chose to characterize the new gTLD program.

We -- in our policy discussions, we debated whether it was a hope or a threat, and came out on the side of a hope.

Then we decided to address the threats, just in case.

You know what? I don't have a clicker.

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

So as you know, we're in the middle of the application process, and so we're quite constrained in what we can say and describe in explaining what's in the applicant guidebook and the rest of the program.

Before, when we had these discussions, we were talking about the guidebook as a proposal, and so those that were building the guidebook in the community and on the staff would get up here and explain what was meant behind those words and then we could have a debate and clarify the words and change the content in a way that would get us closer to a consensus.

Now that we're in the application process, it's very important that we rely on those written words, because those describe a level playing field for all potential applicants.

So you'll find, to a certain extent during this meeting -- or to a real extent -- that ICANN staff and others that are working on this process are quite constrained in what they can say.

If we're talking to a potential applicant, we'll want to talk to the potential applicant in pairs, and we will often refer questions to our customer services center, and I'm going to talk a little bit more about that later, but I just want to take a minute and set the tone for the meeting.

We want to be as helpful as we can but also make sure that we're not advantaging one applicant over another, or creating some unfairness.

So we're parsing today's presentation into these three categories: What's happening right now, some items that are still under discussion, and what happens next.

So I'm going to be joined by Karen Lentz, who is our director of policy and operations research, and Michele Jourdan from our communications team, to help me address parts of this because they're doing a lot of the work, not me, and they're more interesting.

So this slide means, one, that I don't do my own slides anymore, and two, I've given up creative control of them, but it also says that all of us

should celebrate a little bit that the application process is open and, without jinxing, it's running very smoothly and I'm going to describe more of that later.

Or actually -- so what follows is a -- is sort of a status of the application process and the evaluation process as it currently exists.

As I described, we established this customer services center to answer questions so that all questions could be answered in writing and that questions that were germane to more than just the questioner -- questions other than, you know, "how do I log on to TAS" -- could be published, so that all applicants had the same knowledge base as they go forward.

We've fielded 6900 questions so far, since the service center was established last November. The average resolution time is 1.6 days per question, and 80% of those -- if you think about a bell-shaped curve -- were answered within 24 hours. So pretty darned good.

And the way that -- I'll tell you that the way that the questions are answered are number of ICANN staff and consultants -- and we go outside when we need to -- sit around the table every day and form answers to questions that we think will be informative and correct.

We receive many questions about the application guidebook questions. Those are sorts of the answers that we publish.

One detail is, I think one entity asked us 17 questions about one of the guidebook questions, so there's many questions on that. Many questions on the terms of the registry agreement.

We call those bigger answers "knowledge-based articles" and we've published 1500 of them since November, in six languages.

And we characterize those as either supplemental notes, reference materials, FAQs, and the like.

So they're all clarifications to the guidebook.

Is this sort of clarification unexpected? I don't think so.

When applicants really start using a tool, with all their different needs, from all their different geographies, from all their different business models, this is where real questions arise.

So where many simulations took place before the launch of the TAS system, the application system, these sorts of application questions are very natural, and to my knowledge, none of them contradict the guidebook or the program, but, rather, they provide clarifications and address specific needs of users.

And so we released one set of clarifications that showed some redlines in the guidebook, but really didn't change the program, but provided the clarifications that people were asking for on January 11th. Since then, we've made two publications.

One is, there were a lot of questions about the registry agreement and its effects, so we created this Q&A sort of article to answer those questions.

And then speaking to the needs of different applicants, we established this fee acknowledgement agreement. Some applicants require invoices before they pay fees, as required by law. Some applicants require an agreement before a fee can be paid, as required by law.

And there are some other needs, too.

And so ICANN's working with those entities to make sure they can apply in a timely way and comply with their -- with their local laws.

So I didn't want to write 99.99%, because it seems like a big jinx to me, but the application system is running very smoothly. There are a couple instances where there was a problem where some data wasn't visible because it went behind something and that was corrected in an hour or so, and -- but, you know, we certainly monitor Twitter and other social networks and if there were any problems, they come up right there.

Our user community has also been very responsive. They write letters to us if they see problems, and help us address those issues in a -- in a timely fashion.

There's a lot of questions about document uploading and downloading and the use of passwords.

As part of our security regime, in front of the TAS system, we have a platform called Citrix, so users have to log into Citrix and then log into TAS.

It prevents -- it's a -- well, it's a security mechanism that I'm not qualified to talk about, so I won't talk any more about it, but many of the questions are about the why's and the how's of that.

We published the user guide and ICANN turnaround times.

The statistics we're providing right now are the number of registered users in TAS.

Each user can enter, I think, 49 -- I used to say 50 but I'm pretty sure it's 49 -- applications, so we don't know how many applications there are, but we know how many TAS users there are, and they can each file multiple applications.

So this is the best real indicia of activity that we can provide to the public, we think.

I think Rod or Steve, in his speech, alluded to the fact that very few people know what the -- the applicants are and the actual figures are. I'll tell you I'm not one of those people that knows the figures and I find it very liberating not to know that information.

So we just -- ICANN just published the number of 254 applications this weekend.

Cover your ears because I'm going to cough.

Sorry. Especially to those of you listening at home.

What are the important dates? We want to reiterate these over and over and over again. The application window opened on April 12th --

You are so kind. I'm a lucky man.

The application closes with finality on April 12th. Read the guidebook and the associated materials to know exactly what that means, but your applications need to be done, done, done with fees paid by that date.

But a multi- -- multiply important data is March 29th. ICANN recently published a -- an advisory as to what that date means, and the requirement for what has to be done by March 29th.

Read that advisory. If it's not clear, please write a question to the customer service center and it will be answered with an 80% chance on the same day.

A small update is that a late addition to the new gTLD program was enhanced background screening and we went through our typical RFP process, evaluated several candidates to find a provider of this background screening.

We interviewed many security firms that have experience in this.

We engaged with PricewaterhouseCoopers to do the background screening. They work with other security firms, too. They have worldwide reach, global experience, and experience in these matters.

And that's one of the last evaluators that needs to be engaged.

So that concludes my talk about the status of the evaluation and applicant submission program.

Applicant support. A lot of work has been done by the community to establish this program toward the end. You know, special thanks go to the joint applicant support working group. Several board members were intimately involved and put a lot of hours into this.

There's three elements to the program: Third-party pro bono services, fee reductions for qualified applicants, and the establishment of an applicant support fund.

ICANN's published a fact sheet about the applicant support program. Most of the detail, though, can be found in the Web page and the financial support handbook, so those seeking to file for financial

support, apply for financial support, should do that.

And then we have an awareness campaign.

Third-party pro bono services is something we established several months ago. It's a directory on the ICANN Web site connecting those seeking to provide services and those hoping to receive services. Peer-to-peer sort of help.

I think it's been -- I think it's a successful program. There are 14 organizations that have filed seeking support from many different nations, as is indicated on the slide, and a similar number that are offering support, again, from many different countries.

With regard to financial assistance, qualified candidates get a fee reduction to \$47,000. If an applicant is qualified but there's not funds available, the qualified applicants will receive a staggered payment option.

And so this is a very brief update but how it works is, financial support applicants have to provide a new gTLD application and a financial assistance application at the same time. While the first batch of new gTLD applications are being evaluated, the financial assistance applications will be evaluated in parallel.

Those that meet the criteria in the financial aid application will be evaluated in a later batch.

What's very important to know is that if an applicant doesn't meet the financial aid criteria that's in the handbook, they'll receive a refund that's specified but they won't go forward in the new gTLD program.

That's important.

ICANN's currently recruiting a panel -- panel members to evaluate these applications. We published a request for expressions of interest in February. It's going to be open through the end of this -- end of this month. We're also working with a consultant to reach out to various

parties to generate interest, to populate the panels with the right amounts of expertise, so we're looking for community -- ICANN community members and we're doing that right now, and through other meetings here, and like I said, we're seeking applicants from the outside, too.

The actual number of panelists will be based on the applications.

So far, you know, I think we have 15 interested parties. I think 10 have filed formal statements of interest and we're also -- and our consultants are also talking to several others. So we'll be working at this meeting and elsewhere to generate additional interest.

The joint applicant support working group will be helping ICANN select the applicants and train them.

The support fund sits at \$2 million. That was authorized at the board. That means that ICANN will support 14 candidates.

Work is ongoing with ICANN -- ongoing in ICANN, rather, to increase contributions, and what is that support funding strategy.

Well, right now we've established the third-party pro bono vehicle, that Web page that matches those who want to give with those who want to get.

We're actively working on mechanisms so ICANN can receive funds from others in a way that is legal and does not compromise our not-for-profit status and are talking to people experienced in fundraising.

One of my "asks" here would be that if any of us have experience in fundraising, to talk -- to talk to ICANN staff about that.

We're looking for ways to grow that. It's something we're not good at, but we want to succeed at.

In the long term, we want to establish a sustainable funding model, and we've talked about this openly. Establishing a fund that accepts contributions, might grow if there's auctions, and would be used for

applicant support, might be used for Internet security projects and the like, or some sort of outreach.

That will be a community discussion to decide how that money is used.

So that -- so there's -- this presentation is posted or will be posted very shortly, and you can click on this link for more details.

There's a workshop on applicant support on Thursday at 10:30 a.m. right here, if this is LaPaz C, and -- to describe how the program's progressing and what are the next steps.

So that's all I have to say about that.

It's my real pleasure to introduce Michele Jourdan, who will describe our communications efforts.

Thanks, Michele.

[Applause]

MICHELE JOURDAN:

Hi. So I'm going to talk to you a little bit about the communications campaign and what we've been doing since -- well, since Dakar, actually.

So we've been raising awareness about the program in four different ways, primarily.

So one with an on-line ad campaign, one through social media, one through traditional media, and then also with live events.

So I'll go through each one of those, starting with the on-line advertising campaign.

So we ran a Google ad campaign that consisted of six ads, and there's an example of the ad right there.

The call to action on each of the ads directed people back to the micro-site, new gTLD micro-site, to learn more information about the program.

The ads ran for seven weeks in about 145 different countries.

35 of those countries were defined as lowest income.

We targeted the ads with geo-targeting by IP address, and then we opted not to run the ads in North America and really wanted to focus our awareness-raising efforts in the developing economies.

In addition to the Google ad campaign, we had a specific banner ad campaign targeting chief marketing officers in developing economies, and together with those two campaigns, we were able to drive 22,000 visitors -- I think it's more like 23,000 -- from 135 different countries to the new gTLD micro-site to learn more about the program, and we had more than 5 1/2 million impressions.

So social media. Facebook and Twitter. So we're really trying to up our game in social media.

We post regular Facebook updates about various things that are happening at any given time, and most recently we put out a call for applicant videos.

So we want applicants to share their stories about what it's been like applying for a new gTLD.

So applicants are creating these videos. They're posting them on YouTube or wherever, and then they let us know where they're posted them, and then we review them and we've already started highlighting some of them on our Facebook page.

So if you haven't seen them, go check them out, because it's really cool to see what people are doing and where people's passions lie.

So that's pretty exciting.

Twitter. We tweet about five to eight times per day during the week and about four times on the weekend. Our Twitter followers grew from 8,000 followers in October to now about 45,000 followers from all over the world.

So that was a nice little bump.

The biggest increase in Twitter followers came from places like Jakarta, Nairobi, Istanbul, Lima, and Cairo.

And then another thing that we've just launched is a Twibbon campaign and this is applicable for both Facebook and Twitter. You may know what a Twibbon is. I had no idea until we started this campaign. But it's basically a graphic. It's that graphic that you see right there. And you use that graphic and you update your Facebook or Twitter profile with that graphic, and it basically serves as a visual representation of your support for the program.

And then we also started a -- or created a QR code, which is a quick reference code, and that's basically a customized bar code. I'm sure you've seen them around various places. It's scannable with a smartphone. You download an app and then you can scan the code. When you scan the code, it takes you directly to the applicant support Web pages to learn more.

You can print out the code and you can give it to friends, acquaintances, or anyone you think would benefit more from learning more about the applicant support program.

Global press.

So traditional media. We've had over 10,000 news articles written about the program, and it's important to note that that number does not include all the various blogs that have been written, and it really only includes established press outlets.

2500 articles were written in developing economies. And then we -- the coverage that we've received are from some pretty high-profile outlets, such as BBC, NBC, Reuters, Wall Street Journal, and The Guardian.

And then live events.

We were -- we rose awareness with 59 different live events spanning all five of ICANN's geographic regions, and they were held in 40 different countries.

About half of those events were held in what the World Bank classifies as lower middle income or low-income countries.

We had a range of spokespeople helping us to raise awareness, including the ICANN board, staff, and also community members. And with those events we were able to reach about 14,500 people -- again, across the five geographic regions.

And then the last thing I wanted to just draw your attention to are the various program materials that we have available on the micro-site.

So if you go to newgTLDs.ICANN.org and click on the "About" tab, there's a section that says "Current program materials," and there you'll find fact sheets. We have fact sheets about the applicant support program, IDNs, government, the objection and dispute resolution policy, and also information for rights holders.

And then we also have various presentations. You know, one on the applicant -- application and evaluation process and then also the applicant support program.

There are also other resources available. There's podcasts. There are the applicant support handbook. And other educational videos.

These are good tools for you guys to use when talking with people, trying to educate people about the program. It's a great way for someone to get just a general understanding of any of these topics.

So that's it for me. Thank you.

[Applause]

KURT PRITZ:

Thank you very much, Michele.

What are the issues that are currently under discussion that need to be resolved? Some in time to fully process applications. And I don't -- I don't want to characterize them as issues so much as what work needs to be done in order to fully -- fully evaluate applications or operate new gTLDs going forward.

The first issue that's still -- still going on is batching, and that is, if ICANN receives more -- significantly more than 500 applications, it's been decided that those applications will be batched.

And so we need to figure out a method that's, you know, objective, efficient.

Why are we doing this batching? For two reasons.

One is, we want to run a consistent, repeatable, predictable process, and to process many applications at one time requires many evaluators and creates a large span of control.

We want to ensure that applications are evaluated consistently, and so we need to limit in some way those spans of control, the number of evaluators operating in parallel at one time.

And in our preliminary discussions with -- months ago with the evaluation teams, it was determined that 500 applications was a good number, based on the number of evaluators it would take to evaluate those applications.

The second reason is that we agreed with the security community, the root server community, that no more than 1,000 gTLDs should be delegated in any one year in order to reduce or eliminate -- essentially eliminate risk to the operation of the root server system, and this number of batching at about 500 gets us to that goal.

If we receive 550 applications or something like that, we will include them in one batch so there is a some reasonableness test to the 500.

As many of you who have been involved in this process all along know, the batching discussion has been going on for quite some time. A

number of batching processes have been discussed. It's very difficult -- it's very difficult to select a process that meets all requirements. We initially were enamored of random selection as being very objective, very clean. It can be very transparent.

Running a random process in California could be termed a lottery, and ICANN is not capable of running a lottery in California. So there are real legal reasons for not using a random selection process that, again, I'm ill-suited to describe accurately. But more information can be provided. Significant study and analysis went into this.

Auctions were considered. And after a long discussion, deselected because it was regarded as an increase of application fees.

First come, first served was considered. That was deselected because it's thought that that would incent rapid applications rather than good applications and would advantage those who are very familiar with the new gTLD process against those who are just learning about it.

So it is described in the guidebook as an online batching system, the words used in the guidebook is "a secondary timestamp." And so the detail I'm going to share with you today is this: That there will be three sets of criteria to determine batches. An opt-in/opt-out option will be provided. So if an applicant does not want to be considered in the first round, that entity does not have to be considered. We understand from having many public meetings that there are many of these applicants. So that will reduce the need for batching.

The secondary timestamp is really a non-random priority number assigned in a secondary registration. So after all the applications are received and closed, applicants will be required to reregister. I'm going to provide -- ICANN will provide more information on this as it develops. I will tell you that the entire organization is very interested in resolving this. The board is involved in the details and so wants to ensure a model that's repeatable and operable is released very soon.

And then, finally, we are seeking to promote geographical diversity. So that part of it would be that the proportions in each -- a likely

alternative is that the proportions in each batch would match the diversity in the applications we receive. So that's what I have to say about batching.

Universal acceptance, those of you who have been around remember the 2003-2004 sTLD round. And there were some comments made at that time that the new TLDs sometimes didn't work, that either e-mail addresses didn't work or people typed addresses into their browsers with a dot some name that's -- I don't want to mention any TLDs, but longer than four characters, say. And some applications in the Internet still test whether an URL is valid if it's three or four characters long, or some of them test against a list of good TLDs, either ccTLDs or gTLDs.

And so ICANN at that time developed a beta tool, posted it on our Web site, did an informational campaign.

That issue still exists and has been brought to our attention. And so the purpose of this program, universal acceptance, is to make sure software users universally accepts domains. This acceptance program is not about content, and it is not about the policy about which TLDs are allowed. It is just to ensure that applications on the Internet do not interfere with the use of domain names that exist on the Internet.

The problem exists when software checks user input, as I said, against a fixed list of TLDs or TLD character length and the like. So in ICANN's role, this is partially a community discussion how ICANN can best facilitate closing this gap. The JIG, the joint IDN working group, published a report on universal acceptance with regard to IDNs. That's a very important issue. ICANN's work, as I said, we posted a basic software tool. That's been updated.

We seek to raise awareness inside and outside the ICANN community and develop additional informational materials. There is another slide.

So please get involved in this discussion. This is really about communications.

So any suggestions you have as to all who we could reach out to help fix this issue should be sent to this mailbox. There is a workshop scheduled

for Wednesday, March 14th, at 12:30 in La Paz A. So right around here. It will explain the historical work and foster a dialogue about where to reach out and where to go.

The parties we need to reach out to aren't in this room, right? They're outside. But the people in this room and at this meeting are the ones who know how to get to them.

I want to talk about defensive applications for a little bit. These are -- this issue is about the perceived need for trademark holders and other rights holders to register TLD names, top-level names, defensively so that others cannot get them. So not register them for a business purpose other than protecting that name against use by others.

So I will introduce the topic by saying the program was designed for protections for certain interests and rights. There's -- for the top level, there is objection and dispute resolution processes that protects rights holders, that protect community interests, that protect users against confusion.

But, lately, especially those of you who have been watching the news, and especially following this issue in the United States, know that ICANN's received a number of letters about this issue and the need for defensive registrations and should do something about it. That family of letters resulted in a letter from the NTIA, which is part of the U.S. Department of Commerce with whom we have the IANA agreement and the Affirmation of Commitments -- and so they provide limited oversight over ICANN -- address -- that raise this issue of the perception of the need for top-level registrations and suggested ICANN should address this issue immediately through communications, education, and other means within ICANN and talk about it -- address it while the application window is open.

So what we've done to be responsive to that is, first, the easiest thing to do in ICANN, right, is open a comment period. So the comment period solicited comments on the need for defensive registrations and requested models to address that need. That comment period in ICANN's new way of doing comments opened and then recently closed

and now we're in what's called the reply period, so replies to the existing comments can be given.

ICANN published -- ICANN accumulated those comments and summarized them and are considering them.

We're going to have a session on Thursday in La Paz A, right here, at 1:00 p.m. And that session will have a set of panel members and we'll take those comments, those suggestions, and put them to a panel and discuss the different models that have been proposed for addressing this issue. So that's an important session and it is going to occur right then.

So what happens next? So I'm going to say good-bye to you all. I will be back to answer questions at the end. But I want to introduce Karen Lentz who is going to tell us a number of activities she's involved in in managing and finish the presentation.

So, thanks, Karen.

KAREN LENTZ:

Thank you. I will be discussing a couple of projects that are not really new but that are ongoing and that you can expect to be seeing and hearing more about in the coming months.

One of those is the emergency backend registry operator. This is a project that grew out of discussions about possible risks with new gTLD operators, what sort of safeguards there would be for registrants in those new TLDs if one of the critical functions failed, if there is a failure of certain types.

So the idea that grew out of these discussions was of the emergency backend registry operator, and entity or a few entities that would be available at all times to take the data quickly from a registry in the event of some type of failure and be able to provide a critical set of ongoing functions so that services are not lost.

So we're in the process of trying to find those providers. There was a request for proposal opened September through December of last year. Received 14 responses to that. Held some discussions via teleconference and submission of questions and answers and providing answers with those candidates. So we're in the process of completing that selection.

Timeline expected for how this will move forward is targeting June for publication of a model and the announcement of who those providers would be.

It is expected that the model can be informed by the application data. The application submit period will close in April. And at that time, the number of gTLD applications will be posted and available. So we expect to use some of that information to help inform the implementation of this.

It is also expected that there will be some simulations and testing before the live operation, which is anticipated in around March, which will be pretty early in the days when new gTLDs are operating and offering registrations. Okay. I will also say a few words about the trademark clearinghouse. This is one of the rights protections initiatives that was developed in the new gTLD program discussions. The clearinghouse is envisioned as a repository of authenticated rights data that can be used by registries, registrars, parties in the ecosystem for the services that they offer.

So the data in the clearinghouse is expected to support the sunrise periods in new gTLDs and also the trademark claims service. Both of those are required -- will be required for all new gTLDs.

So we're now in the process of implementing that clearinghouse, designing and building it. It is expected -- working according to the project plan that we have, we expect to be launching in about September or October of this year.

The project has a couple -- is organized basically according to two tracks of work, one being the selection of one or more providers to provide

the clearinghouse functions and then the other being to develop the supporting processes that the clearinghouse will use. So the sunrise and claims involve the interaction of a number of parties, including registries, registrars, the people who are registering domain names and the clearinghouse that we're building right now, how all those processes will work.

And to give more detail on both of those aspects, we held -- or published a request for information in the fall, received a number of good submissions to that, have held discussions with a number of the candidates, and are expecting to complete that process and be in a position to announce the providers shortly.

In terms of the process development, we've been aided by the Implementation Assistance Group, or IAG, in the fall after the Dakar meeting. And this group has been enormously helpful in providing advice to us and how we work out the details of the operations, what sort of requirements we need to have in mind when creating this.

So we've held since November, I think, 13 conference calls rotated according to time zones and the process also has included written submissions, written comments which, you know, those mechanisms have both been very helpful.

So we're now in the process, having taken all that input of compiling and completing the analysis to create a model and we expect to be publishing some more on that by the end of this month, by the end of March.

There's also a workshop to hear a little bit more about clearinghouse and other rights protection work that we're doing on Wednesday, the 14th, at 11:00 in the morning in this room.

Okay. So that's the end of my section. We have some time allotted for questions. So anyone would like to ask a question, there is a microphone in the center and remote participants can also submit questions which will be included.

Any questions? Questions can be for Kurt, me or Michele.

>> Can I go ahead?

KAREN LENTZ: Yes.

ANDREA GLORIOSO: Hello, my name is Andrea Glorioso. I work for the European Commission. I have a question concerning -- a comment and a question concerning the batching process. I would just like to underline from the perspective of the Commission the incredible importance that a clear and quick decision on which criteria would be used for batching is achieved.

I think that -- I'm not sure that the understanding of the implication of not having this clear criteria for the batching are as widespread as they should be. There are issues of competition here, of equal treatment of all the applicants. So we reiterate, by the way -- for future correspondence, we reiterate this request in our meeting with the board of ICANN. But if in the meantime, we could have some dates on when the decision will be taken on the batching, that would -- a little bit more addressed I would have to say, thank you.

KURT PRITZ: Thank you. And that's well-taken. Hello, Steve.

STEVE METALITZ: Hello, Kurt.

This is Steve Metalitz. I'm speaking on behalf of the Coalition for Online Accountability. My comment is also about batching. I appreciate that different models were considered. But both today and when this was presented over the weekend, I think there's still a lot of head shaking about this proposed batching methodology.

We feel that the most appropriate method apparently hasn't been considered yet, but we hope it can still be considered. We think this methodology has many flaws, and those can be avoided in a way that meets the board's stated criteria and provides conditions that could enable improvements in the entire new gTLD program.

And just very briefly, our proposal is IDNs first. We believe that that's giving priority to those applications with the greatest likelihood of achieving the stated goals of the program. So our view is let's start with the IDNs, let's continue Batch 2 with community applications. Let's continue Batch 3 with geographic applications. All of these are self-identified, so there is no picking and choosing by ICANN.

And then if there is in a remaining batch a need to do some type of batching from what remains, then that certainly could be considered but we have a little bit more time to figure out a detailed and equitable process.

So this has been discussed by many of us, some within our constituencies, not a constituency formal position, many outside the constituencies and in the advisory groups, in the IDN world. And we just would submit that this is a real missed opportunity if we use this batching methodology that's been presented, and we encourage the board to consider revising its conclusion because we think that our criteria will actually meet better than this one the standards that the board set in its December resolution. Thank you.

KURT PRITZ:

Steve, if there is a place to flesh these ideas out a little more, I don't know if that could be in -- we're meeting with the IPC later in the week, or maybe we can set another meeting to, anyway, have a back-and-forth discussion.

STEVE METALITZ:

We would be glad to do that. Thank you.

CHING CHIAO:

Thank you, Karen and Kurt. This is Ching Chiao from DotAsia, speaking on my own behalf.

I have two quick comments actually also on the -- sorry, on the geographic diversity issue. So geographic diversity, which for DotAsia, is very critical for us for several of the associated -- I mean, the applicants that we are actually working on.

We fully support the notion of geographic diversity in terms of -- in the batching process. We would actually think this could be because this offers a certain level of actual predictability, and this also is commercially reasonable. At this point in time, we are talking about only 30 days away, I mean, from the close of the application window. So I just want to -- actually not a comment but a full support for that kind of geographic diversity.

But, on the other hand, for the trademark clearinghouse part, so I understand -- I mean, there's been several rounds of discussion and debriefing and also the discussion process of how this model of clearinghouse database administration and validation would work. I would truly encourage the staff and the -- all the stakeholders really to look into the regional needs.

One particular concern is that for many of the countries in Asia-Pacific, I'm pretty sure in other regions as well, they will require some legal -- some sort of legal requirement to maintain the database of the trademark to be stayed or to be maintained within the country's jurisdiction, not to pass along to a contracted party by ICANN without any -- I mean, the legal protection of the trademark rights.

So I would just like to offer -- I mean, second thoughts which I have explained in other means. Thank you.

KURT PRITZ:

Thank you. Do you have a response?

KAREN LENTZ: No, thank you.

WERNER STAUB: Werner Staub from CORE. My comment is also about batching. We would actually like to suggest we replace the courts with secondary timestamp. It is much easier and subjective. We would have no worries about making a decision. It is just a mechanical process.

I mean, seriously, how can we try to look for objectivity where it cannot possibly be?

The proposal Steve Metalitz just made is on the right track. But, of course, there is a minimum of need for somebody to look at these things. We shouldn't try to find something where we avoid looking and have an automatically (indiscernible) process.

Of course, there is another thing: Why do we need batching in the first place? There are two bugs that lead to batching. One of them -- one bug that leads to batching is the absence of the announced second round. Of course, there is an overload, totally avoidable overload.

The second is that most of the applications that will have to be batched will be trademark applications. They will not have any third-party registrants. They're just for the trademark itself. It's going to be probably a thousand or more.

The evaluation needed for this kind of application, I'm not sure what you want to evaluate. How many registrants are there to be protected if the registrant is the same as the company? Would the company have to be protected against itself to figure out who to run the registry if the company didn't need the TLD anymore? These questions that are going to be validated have no sense whatsoever.

So we can certainly envisage that categories be formed as we see the applications come in. And in these categories, we can have accelerated -- an accelerated track with a special kind of evaluation for the trademark TLDs, which is only befitting for all the people interested in it.

It should be quite a bit faster, quite a bit cheaper. Some of the money saved could be used to support applicants.

Finally, we have the opportunity now in ICANN to avoid this overload that's currently leading to very bad applications. I mean, I see the situation that we're all in supporting applications. People come at the last minute to try to do something. Can we fault them? We had an outreach program. The outreach program tells people, Oh, register a gTLD.

If that is supposed to have any sense, that's for the second round, not for now. It is totally impossible. Even the applicant support, I'm not sure who could reasonably make a decision at this stage based on the information that's come up.

Even the information that comes from the supplemental program has come way too late. It is very difficult to process it. We're going to have tons of bugs, tons of mistakes in the submission material that comes in. The more the pressure increases, the more mistakes there will be. So we really should seize the opportunity to correct it whilst we can correct this this week.

KURT PRITZ:

So Werner, so those were all excellent comments and you have been up here a very long time talking about the need for a second round. I think from the first versions of the guidebook.

And, you know, as you know, as the program developed we put certain prerequisites in front of the second round, such as evaluating trademark protections and root zone stability and -- but we clearly hear -- and the board has heard -- comments such as yours about making certain the timing for a public round. And, you know, the board, in fact, recently released a resolution about launching work to establish the second round.

And I think that work is going to involve the community, and comments such as yours are going to be really helpful in saying, "This is what we

have to do to address the prerequisites we put in place so we can launch a round."

So the ICANN staff will launch an effort to start work planning for the second round right after this meeting, and -- but we'll need the community to point out why that is important, to relieve -- to relieve pressures and the like. So I appreciate that comment.

And then, you know, I also appreciate all your comments about batching.

I'll point out, too, that we do have this prerequisite of a thousand TLDs per year. Whether they're trademark TLDs that never have another registration or not, it was an agreement struck to not overload the root server system and that was the agreement. So that's what kind of necessitates the batching process.

WERNER STAUB:

Just one note about what you just said.

You know, we all know that evaluation is one of these things we're talking about as sitting in between the batches. Not in between the batches. In between the rounds.

Evaluation is something in a process like this that doesn't -- isn't in the batch. Evaluation is all the time and we keep our eyes on it. And the first thing where we should be keeping our eyes open -- I just heard yesterday for the first time that we want to close them. So we heard that we don't want to have statistics, which I would expect to have on a daily basis, of the number of application slots open. I just don't understand why we want to close our eyes.

As we see this thing going up, as we see this pressure increase, we should be able to react.

I think we're doing a blind landing here, and there are many people who could be victims and these are not the ones, you know, who have incumbent positions in the gTLD namespace or the TLD namespace.

These are the ones who risk a lot or those who are just pushed off cannot do anything at all. So we have a responsibility that goes beyond what we just see in front of our eyes.

KURT PRITZ:

Right. And there is a careful balancing about which information is made public and which is not, and I understand your issues and what information is made public is constantly being evaluated.

RUBENS KUHL:

Rubens Kuhl with dot br.

In light of what GAC has said about evaluating a thousand or 1500 applications in 60 days, could we move up string similarity and batching before May 1st, so GAC would have 60 days to evaluate 500 applications at a time and they can -- they could provide their function without delays, including proper assessment of the need to assess?

KURT PRITZ:

So that's a very good suggestion. ICANN's working with it and it's published time lines for when all the evaluations are going to take place, but as far as operating a business, we're taking advantage of every opportunity to do some work beforehand so we can meet our deadlines.

So where we have a time frame for doing the batching or evaluating the number of strings, you know, we're moving that up as much as possible because we see the same advantages you do for getting information ahead of time.

So thank you for that. That's a good comment.

RUBENS KUHL:

Thank you.

JIM PRENDERGAST:

Yeah. Hi, Kurt. Jim Prendergast with the Galway Strategy Group.

First off, on behalf of a lot of people in this room, we really appreciate all the hard work that staff is doing to get us to the finish line here.

Specifically to the trademark clearinghouse, what advice would you or ICANN give to potential applicants on how they should account for the costs related to the trademark clearinghouse, considering all the questions they have to answer in 45 through 50 on financial projections and cost of operating a registry?

And more importantly, what guidance are you giving the evaluators on how they address those particular issues as well related to the lack of information on the actual costs?

KURT PRITZ:

So I'm trying to -- do you want to -- so I'm trying to remember what's published.

But I know what's published as the model is that trademark owners will pay to register their name one time in the clearinghouse; that registries will pay for operating a sunrise service, an IP service, to the database administrator of the clearinghouse.

There has been some discussion about whether a registrar would bear any costs of that or not.

The entities that applied to become clearinghouse providers were evaluated on, you know, competency, skill, global reach, all those things, ability to perform, and also price or cost. What they would charge registries and what they would charge trademark holders.

I think there is a public record of what the expectations of costs were, and those -- those -- in public comment sessions and in working sessions, and those figures were used in the discussions with the selection, to ensure that the price goals were within the range of community discussion.

So having said that, I understand, you know, the people at ICANN that evaluated the applying entities know more than you, so it's really important for us, going forward, to release some of that information as soon as possible, so that you can -- that users of the clearinghouse can get a general idea of what the costs are going to be.

JIM PRENDERGAST: So in order to get a ballpark figure, then, I guess the first session may have been in Singapore? There was probably some discussions around pricing. So we should be referring to the transcripts from that session to get a ballpark?

KURT PRITZ: Yeah. Yes.

JIM PRENDERGAST: Okay.

MARILYN CADE: My name is Marilyn Cade and I'm going to make a few comments and then note that I'm going to make comments in other sessions of relevance to the business constituency.

I chair the business constituency. I'd like to make three major points in this comment.

First of all, we are on the record and we continue to prioritize IDNs and community-facing gTLDs.

We have been concerned that any benefit that may come out of the introduction of new gTLDs should focus on those regions and those groups that are underserved today and have less of a presence, so when -- that is our view. We're on the record about it. I just want to reiterate that.

Later, there will be a session on defensive registrations. We filed comments on defensive registrations at the second level, which is our priority. I will reserve my comments or my vice chair's comments for that session.

Another issue I would like to commend you on is holding a session on universal acceptance. I was part of the then-president's advisory group. We did -- the advisory group's advice to ICANN was not accepted, and that was that ICANN must be part of the solution in creating awareness and understanding at the application level and in other parts of the Internet's ecosystem, to make sure that, in fact, not only technically but also from an awareness point of view that users know about this change.

So the interfaces need to work, the software needs to work, and we will make other comments in that session.

I do just want to make a comment, Kurt, that we have made before, but I want to make it in a, I hope, pragmatic and positive way and make sure that the finance guys and the board members who are here understand the point we are making.

We are building a highly complex system with thousands of moving parts, and that means that we have to understand that we have to sustain a work initiative around that system and those parts of the subsystems for a very long time to come.

And I hear sometimes that people say they think that ICANN will have a lot of money coming in from this program.

I look at it as a business person. I used to run a health care business for AT&T Computer Systems, and I say, we better be making sure that we are reserving the funds needed to continue to be able to maintain and sustain the ongoing work around the complex system that we're putting in place.

I have some concerns about the complexity of it, but that's my comment about the funding.

I will just make one final comment.

From the BC's perspective, we believe that the trademark clearinghouse must be centralized, and if it's needed in later stages, after the initial introduction, a three-year period, an evaluation, and then there's an issue or concern about distributing the work, that may be taken into account after an evaluation.

We look at the negative network externality costs that are being transferred onto us as business users, and a centralized trademark clearinghouse is going to be more affordable for us and I think less complex for all of us.

Thanks.

KURT PRITZ:

Thank you very much, Marilyn.

So we want to cut off the question line where it is. We're significantly over our time. So if it's okay with everybody, we'll do that.

FRED KRUEGER:

Fred Krueger, Minds + Machines.

So I want to address the batching because I think this is an extremely important issue for us, as applicants, and for a lot of our clients, which include major city and state governments, as well as IDNs and third-world organizations.

So I think this issue of batching has not been properly addressed, going - - starting -- starting with the process. It's been ignored very much up until now, and we are hearing, all of us here today, a very hard-to-define approach to batching.

It appears that your approach combines some objective elements -- in particular, the secondary timestamp -- with some secondary sort of subjective analysis: "We would like to promote geographic diversity."

So my question to you is: Is, in fact, this going to be a subjective process? Is the board going to take a lot of these -- these facts into consideration, whether it's the timestamp, the geographic thing, the diversity, and for example, whether the geographic names -- for example, major cities and states -- whether they, in fact, are going to have any priority.

I say this because we are being asked, actually, right now by some of these major cities and states, "Where do they stand?"

Thank you.

KURT PRITZ:

Thanks very much, Frank. And certainly the goals of the program are to be objective.

JUDY HARRIS:

I'll try and lower this. Hi, I'm Judy Harris. I'm with ReedSmith in Washington, and I'm with the Association of National Advertisers and (saying name). I'm a newcomer. This is my first time and I really appreciate how welcoming everybody at ICANN has been, and I appreciate this opportunity.

I have just a quick question, as I'm hearing about the batching process, and I know that it's been extremely difficult to sort through and controversial, and I'm wondering, when you've got this comment window open on defensive registrations, whether some of the suggestions -- I know we made one about a "do not sell" list -- if we could work together to find a way to remove solely defensive registrations. Wouldn't that help with the batching and perhaps eliminate the need for batching?

KURT PRITZ:

So there's a -- there's a number of measures that can be taken to reduce the need for batching. The opt-out measure is one of them. In line

here, you heard comments about different categories of TLDs and batching them that way.

None of them assure with certainty that there will be a remaining batch of fewer than 500.

So a batching mechanism needs to be implemented in any case, but certainly we want to take measures that reduce the need for batching in the implement- -- you know, the actual use of that tool later on.

JUDY HARRIS: Thank you.

KURT PRITZ: Okay.

RP: Hi, this is a remote participation question from George Kirikos.

Will ICANN consider the results of the recent launch of dot xxx as the new gTLD process continues and has unanswered questions?

Does ICANN intend to publish an evaluation of the dot xxx extension as was required for the other sponsored TLDs before the launch of any TLD in the proposed round?

KURT PRITZ: Thanks, Carolyn. Thanks, George.

Certainly dot xxx was launched under a different set of rules and circumstances as new gTLDs were.

There's a different process and a different contract, and as with all the sTLDs from the two thousand- -- 2003/2004 round, we took many lessons learned to build that into the new gTLD program.

And our last comment? Ma'am?

RP: So this is (saying name) from KeNIC. I have two specific questions regarding to the application guidebook, actually, and the first one is: As an applicant, they are required to provide reference cases in order to compare the models -- adequate model, but an existing TLD does not match any model of the dot brand. So what would you suggest in this case the applicant should do?

KURT PRITZ: Could you ask that question again? I want to fully understand that.

RP: Yeah. So in the application guidebook, there -- the applicants are required to provide a reference case of any existing TLD to compare with their proposed models of the new gTLD, but however, the existing TLD does not match any of the model of the dot brand TLD, so actually there's no existing reference case we can use.

KURT PRITZ: Okay. Can we -- so I still don't understand it.

So either you can submit your question to me in an e-mail, I'll give you my e-mail, or we can talk after this session and --

RP: Yeah.

KURT PRITZ: -- but I'll want to respond in writing publicly so everybody hears the answer to the question, too.

So I really -- can you like characterize your question with an example?

RP: Yeah. It might be too specific to the -- to the application guidebook, so we will probably send e-mails over to --

KURT PRITZ: All right. I apologize. Thank you very much. Okay. Well, I'll make sure I find you and we get an answer to your question.

RP: All right. Thanks.

KURT PRITZ: Thank you very much.

RP: Thank you.

KURT PRITZ: Okay. So --

(Speaker is off microphone.)

KURT PRITZ: Excuse me. One more from remote? Thanks, Karla.

KARLA VALENTE: Hi. This is Karla Valente from staff -- from staff. Remote participants are asking: What -- I'm sorry. Will batching apply also to the public comment and objection periods? For example, 60-day public comment period applies only to applications in first batch.

KURT PRITZ: So there's a comment period that's open for -- I think forever on new gTLDs, but that evaluators will consider comments furnished within a certain period of time.

So that applies to all applications.

Similarly, the objection period will last for about seven months, and that will apply to all new gTLD applications, regardless of batch.

So thanks very much, everybody, for spending so much time here, for coming to the meeting, and I hope you attend the sessions we described here, and I hope everybody has a successful meeting.

Thanks very much.

>>> END OF SESSION <<<