

ICANN Prague Meeting
New gTLD Issues - TRANSCRIPTION
Sunday 24th June 2012 at 11:00 local time

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Stephane Van Gelder: Wow it's very quiet. Okay welcome back everyone. Operator can I ask you to begin the recording please and then as soon as that's confirmed will start the new gTLD session. Thank you.

Coordinator: Recordings have started.

Stephane Van Gelder: Thank you very much. Welcome all to this new gTLD program discussion between the GNSO Council. And we have several members of ICANN staff here.

To my right we have Kurt Pritz who is I believe now the interim new gTLD Program Director. Akram Atallah is here, the ICANN CEO. We have John Jefferies the General Counsel, Karen Lentz and others.

We have coming up on your screen in just a minute a list of topics that we are looking to address in this one-hour session a pretty short session so we'll try and get through everything.

And in order not to waste any time I will hand the mic over to - well actually because he's just got up and left but so I'll talk a bit more. And then hand over the (unintelligible) to lead us into is. Thank you Kurt.

Kurt Pritz: Thank you Stephan. Hello everyone and welcome to Prague. I'm pleased to see everyone here. I'm pleased to be here too.

The list of topics you see before you is the - are the topics we received from the council for a discussion at this meeting.

So we - I hope you find the material responsive and addresses the need - the issues that - to be addressed. And we're happy to take questions on each.

So there's five issues and we have an hour. So we talk for, you know, six minutes on each or we can take six minutes of questions or four minutes.

But, we know, you know, in this format really it's more about the questions. And of course you guys are - everyone is pretty much up to speed on these issues so we'll provide some background in this slide and then take questions.

And like Stephane said I'm really pleased to be joined by John, Akram, Karen and (Xavier) equally knowledgeable and have been - anyway good stuff about them.

So the - let's talk about URS first. It's probably the toughest one.

I - before I start I think ICANN's made, ICANN meaning the big ICANN here has made tremendous progress on all of these implementation issues.

And if you think about the list of partners we've developed to work with on this program it's a pretty remarkable list. And I think it speaks to the gravitas ICANN, the participation in this room on this program.

And the importance that your participation has given ICANN and also that the new gTLD program being of such interest has elevated ICANN somewhat.

You go down these lists here you're going to see participants such as, you know, our evaluators are KPMG and Ernst & Young and PriceWaterhouseCoopers, they're University College of London, The Economist, the intelligence arm of The Economist, Interconnect, Inner Aisle.

When you think about the dispute resolution providers there are the ICC in Paris, WIPO which is the UN treaty organization, you know the ICDR our independent objector, Dr. (Alaine Poliet) is a man of great esteem.

And I'm leaving some out but as you go down that list I think at each step on the clearinghouse providers, Deloitte and IBM, you know, it's a respectable group.

And that's because all the work your people put into fashioning this process and making it a - I'm looking for the right word but, you know, well thought out process has attracted the attention of significant firms who are anxious to participate in what's, you know, I don't want to say historical because we say it in every Web site announcement we make, but it is very significant and we've attracted the attention of these remarkable and noteworthy firms.

So I wanted to say that because in URS this is a one problematic area where we have to work together to solve an issue. And that is the URS was developed with a few goals in mind being a cheaper and quicker complement to UDRP for clear cut cases of abuse, a rapid takedown. And, you know, the background behind it.

And so, you know, ICANN's done implementation work on all the fronts of all these new risk protection mechanisms.

And the very clear feedback we're getting is that as currently configured the URS isn't going to mean it's cost target which is a very important component of it.

So can we refashion or adjust (unintelligible) in some way to meet or come closer to our cost targets and meet the goals set out by the IRT when they set out to build this thing and still maintain the safeguards for registrants that are built into the current process?

The current process is relatively bureaucratic (that is) cost. So how can we reduce the cost of the current process and keep the safeguards?

So that's clearly not a discussion for ICANN staff only in its lofty new offices in Los Angeles but rather it's a community discussion.

And so what I want to - we wanted to try to kick it off earlier but could not coordinate it but kick off here how to have that community discussion to look at how URS is built in see if we can refashion it to get to the cost targets?

Is that the last slide on this? Is there more (unintelligible)? Is this the only slide? Oh there's more? So with the - so, you know, anyway so I've already spoke to the URS goals -- registrant protection, low cost, fast for clear cut cases and complement the UDRP.

(Unintelligible) this slide? So the next slide is what are - so when we create this community discussion, you know, what are the cost drivers for URS and can they be reduced without sacrificing the goals of the program and maintain the safeguards?

So the big question is really the last one, what's the proper process to help develop this revamped URS process?

Man: Yes I'll pay better attention to the slides.

Kurt Pritz: So with that if anybody has any comments or questions on URS I'd be happy to take them. We're going to have a session on this later on in the week to specifically attack the issue of how to have - start the public discussion and then how to carry it forward.

Stephane Van Gelder: Thanks. I have Jeff Alan and (Thomas). Jeff?

Jeff Neuman: Thanks Kurt. This is Jeff Neuman. I guess it might help either during the session that happens this week or if you go into it now in order to determine that it wasn't going to meet that cost goals that you had you had obviously some feedback from the providers.

Is there something you could share with us? What did they say was driving their cost up? Was it the fact that, you know, for example I've heard some feedback that a default automatically meant finding - for the you would have to do the analysis if there's a default. That might drive the cost down.

And what is the feedback you've had from them that led you to the conclusion that they can't do it for that price?

Kurt Pritz: So we heard - we had a meeting with WIPO. You know, we were shopping the RFP or the Request for Proposals around.

We met with WIPO who, you know, identified for us that they thought the cost was up in the range of UDRP.

And we met with, you know, another specific entity that's not coming to mind that identified the same thing.

Yes so to get - so this right into the detail. So one of the issues identified was does there always have to be a determination on the merits, you know, in the case of a default?

And we - and even the IRT said because that's a cost adder. And even the IRT said yes so, you know, in order to protect registrants.

But at the end of the day that's a big cost adder. So is there a way in some cases do not have a decision on the merits to have a default but still build in some protections around it somehow?

You know, other parts of it were, you know, administration for appeals, administration for loser pays. They're all cost adders to that.

So it's the do we want to keep that what's the cost benefit of each of those things so clearly policy type issues.

Stephane Van Gelder: Thank you. I have Alan next and then (Thomas).

Alan Greenberg: Two comments, in the list that I saw published of the things that drive the cost up one of them that caught my eye was the requirement for a de novo appeal process.

Now when we created that we did add that capability in. But I think those in the room thought it was going to be used very, very rarely and therefore the statistics of how often people are presuming that that kind of thing would be done is going to significantly impact the cost.

So getting information on either what statistics they put into it or what ICANN put into it in the calls would help us work on that.

((Crosstalk))

Alan Greenberg: Oh sorry.

Kurt Pritz: Okay.

Alan Greenberg: The second point is I was one of the ones who participated in the group that created the current URS.

I cannot remember a more remarkable group where people came into it with such diverse opinions and ended up compromising. And virtually everyone compromised and most people came out of it moderately happy that it would satisfy their needs.

And I would like to hope that whatever process you do come out of with this does not break the - would compromise that was made and find in favor of only one of the groups or the other.

The board already unilaterally made one change to the URS many months ago which broke that compromise. And I hope that in this new process it doesn't happen again. Thank you.

Kurt Pritz: And this discussion here really should be about how to we put that team together and getting into the details of, you know, how much cost does an appeals mechanism add to the whole thing?

You know, that's what we want to get into with experts we choose to put on this group. But that's - thank you Alan.

Stephane Van Gelder: Thank you. (Thomas)?

(Thomas): Thanks Stephane. It was with great surprise and also concern that I read that URS had to be reshaped in the budget proposal.

I think that parts of the community have bought into the new gTLD program because they relied on the URS being in place.

And that would both be us having the features as this (unintelligible) as well as the costs involved with that.

So I think just a word of caution I think that it would be too rushed to amend either one of these factors at this stage.

And I'd like to echo what Jeff said. I think what we understand is what the prospect of the proposal is.

But if you look at the URS and the different response times with different procedural aspects going along with it that might look frightening to somebody who wants to make an offer or put in a bids.

So I think that if you compare it to UDRP where we know that there is a huge portion of the cases ending with a default judgment it might be worthwhile considering detailing further what is required from the URS provider.

And then maybe it might look less frightening to those who want to put in a bid also to maybe have different costs portions let's say so that there would be an initial fee.

And if the case goes - can end with a default that would be it. And if it gets more complex that maybe only then additional fees are incurred with the process.

Kurt Pritz: So well I don't have to comment on everything but I have a propensity to. So those are all good comments and exactly the right way to go about analyzing these things.

I too am aware of a heavy obligation to implement URS in time because this is one of the important rights protection mechanisms.

And I am telling you that in our opinion the bids we get back will be over our cost targets.

So while I would normally do exactly like you said because that's the right way to go down that analysis I want to, you know, bring it to everyone's attention right now so we can start working.

Because I think my opinion is it is in fact the way it's configured or result in not hitting our cost targets. And we should take a community - make a community effort on this.

And I think in parallel we're going to as we get this fired up we're going to do those things you can say so we can inform the, you know, we need to inform the discussion and we need to inform (all the) things you're saying.

Stephane Van Gelder: Thank you. So let's say (give) a small point then we'll try and get to the next topic to keep on our schedule. Thanks.

Man: Thank you. I just look at the URS procedure and I noticed that it looks very similar in format to that of the nominate dispute resolution policy.

And I just want to sort of keep in mind that the reason why the nominate dispute resolution policy does force these default cases to expert decision in any case is because it's not a adverse suspension and it's a full dispute resolution.

And maybe using that logic or that distinction really we can say whether the URS we don't have to have a full-fledged expert decision, just something maybe that helps with the discussion you're having currently. Thanks.

Kurt Pritz: The next topic as trademark clearinghouse I think. I'm going to let Karen talk to this and she's the manager of this project. And well go ahead Karen.

Karen Lentz: Okay thank you Kurt. I want to update you on where we are with the trademark clearinghouse since we last met a few months ago in March.

A couple of things that have been achieved, One in terms of the provider procurement or the - for the services we've engaged a provider team that encompasses Deloitte, IBM and CHIP, Deloitte in the role of trademark validation and IBM in the role of database management and supporting the trademark plans and service, (unintelligible) services that will be offered by registries.

We - this isn't new but we collected community input through the Implementation Assistance Group on some of the key issues from November through about May and then used that to inform the draft implementation model in April which is the most comprehensive look at what the implementation will look like.

There is also a new page on the Web site link at the bottom there that compiles all the current info on the clearinghouse.

This slide is what's called key design principles. And these are just some of the themes that we got out of the community comment that were used to inform how we built the model.

One is to limit the data exposure. There was a concern about having aggregated data flowing around to many different parties and the risks there.

There is a desire to avoid a single point of failure in the domain registration process. So not putting the clearinghouse in a step or in a position where it could have an impact on other critical processes in the - in registration and management.

There's also minimize the number of parties that interact for the rights protection mechanism so there's an intention to keep the process as simple

as possible where all of the entities that are using or interacting with the clearinghouse know that there's a logical other party for them to interact with.

Along with that we kind of called closeness which is that people would interact with those parties that are close in the chain.

So, you know, if I'm a rights holder I would primarily expect to interact with the clearinghouse when it came to the submission of those trademark data and use management of that.

A, you know, a domain name registrant is going to interact with a registrar, have their questions answered there. The registry and the registrar would interact with each other so trying to maintain existing types of relationships as much as possible.

And then finally one of the principles is that, you know, the model that would be compatible with what's already been developed in terms of the clearinghouse that as reflected in the Applicant Guidebook.

I think there's one more slide. Thanks. And this is just looking ahead. We're currently involved in refining the technical requirements with the providers.

We have gotten quite a bit of feedback on the draft implementation model list. And so we considered that in our, you know, working through what adaptation should be made.

And then we're also have a track where we're developing EPP extensions to support the new communications, the transmissions of data that will be between registries and registrars to support claims and (sunrise) date.

We're also in terms of supporting potential registry operators who will be operating new gTLDs and will be required to operate these services we're working on developing an interface spec for those communications and

starting to put together a mailing list so that the technical parties at registries who will be in the sort of engineering end of preparing the registry for this can be involved in those discussions.

The project plan does provides for testing in stages, the first stage I believe which is sort of chronologically with the process, the first stage to be testing the actual submission of trademark data and how that - what it looks like and how it works. So that's scheduled to start in July.

The ultimate, you know, completion date for the project plan is still targeting October 2012 with the intention that there would be opportunity for WIPO to submit (unintelligible).

And they often have that in there before any new gTLDs are going live and accepting new registrations.

I think that's the end of this topic it looks like.

Kurt Pritz: Thanks Karen. I first of all have a remote question from Marika then I'll go to Jeff, Jonathan. Marika?

Marika Konings: Yes this is Marika. I have a question from (Rubin). His question is why such a high and unexpected cost of the trademark clearinghouse to the registry from US dollars \$7000 to \$10,000?

Karen Lentz: So I can't give a very detailed answer. But the cost estimates were mostly derived by the provider.

I think that the work that's done by the clearinghouse in terms of setting up a registry, a lot of it in the current model happens at the beginning.

So there's a high, you know, degree of set up and testing. And that most of it comes from there.

Kurt Pritz: Yes and I - this is Kurt. I also wonder if \$7000 to \$10,000 is high, \$185,000 for an application fee, multiples of that for setting up registry operations and \$7000 to \$10,000 to have your Sunrise and IP claims thing dealt with isn't (high).

Stephane Van Gelder: So I have Jeff next.

Jeff Neuman: Yes I am - so if you were to ask some of the registries what the largest obstacle is to implementing new gTLDs the application process I think this is it.

We've had a number of communications on this. You know, it's amazing to see the slide for the first time because when the implementation group was initially created there was a amount built into that timeline to actually talk to the providers.

So just so everyone knows there's never been a discussion between the registries, registrars, and the providers at all.

In fact until last month none of us knew who it was. The fact that you're talking about developing EPP extensions and not ever talking to a registry or a registrar is actually fundamentally amazing to me. How could you do that?

How could IBM who's never been a registry, Deloitte who's never been a registry, and CHIP who's never been a registry how could they do that? To me that's just fundamentally amazing.

We've never seen anything about your agreement with the provider so we have no idea what your model is or where the seven dollars came in.

I happen to know for a fact that other bidders for that suggested a lot less than \$7000 to \$10,000 per registry.

The implementation model that came out was extremely complex and had a one-size-fits-all mentality.

ARI, (ASA) Registry International it stands for ARI submitted a paper which Nuestar signed onto and helped as well on the technical implementation which provides in very detailed form our issues from a technical perspective, from a registered perspective on the implementation.

Several months ago for a technical summit to take place between the registries - registrars and the providers to go through the details way before this even came out and we have not heard back from ICANN on it.

We still believe and we're still renewing our requests in July for a technical summit with the actual providers and engineers from the registries and registrars to get together.

A mailing list is not going to cut it. It's great. And it's a good step forward but it's not going to be the way that progress is made on this.

And to me that last sense of code releases scheduled in - I don't even know what to say that. (Unintelligible), you know, the implementation model it's again, I'm a little speechless because this is the first time we've seen it.

But we really need to have a technical summit, we really need to get with the providers, the engineers together and before any EPP extensions are developed to actually get the registries involved. Thanks.

Karen Lentz: So I think I wrote down all of the points here. In terms of the EPP extensions this is something that I don't know if Francisco can supplement.

But it's not actually been done by the provider. It's - we've hired somebody who has experience in developing in the EPP area and has experience with that.

Francisco Arias: Hi. This is - (unintelligible) me? Okay so this is Francisco (take) outside of ICANN. On (the big) extensions that (Scott) had mentioned we are contracted an expert on this side to help us and he's going to be working on that.

And we plan to release that to the IT of families that deals with the EPP protocol. That should be out pretty soon.

So we just to be clear, this is - this will be a proposal but for which we will expect input from (unintelligible).

It's not like we are saying this is the way to do it. It's just this would be a proposal because we want to have some (unintelligible) discussion. Thank you.

Stephane Van Gelder: Thanks. And let me just say two things. First of all for those of you in the room that aren't GNSO counselors if you want to speak there are two mics at the end that you can stand up and use. Just stand up there and I will see you and just introduce yourselves when you want to speak.

Adrian wants to just get back on the point that Francisco just made and then we'll carry on with the queue and Jonathan will be next. Adrian?

Adrian Kinderis: Thanks Stephane. Stephane can you hear me?

Stephane Van Gelder: Yes.

Adrian Kinderis: Adrian Kinderis from altregistry/altregistry international/(aloregistryservices). Thanks Jeff.

Just a quick comment on that, I'm not sure why ICANN has hired an expert when they have all the registries at their disposal and the community at their disposal that would I'm sure dedicate their time and the resources for free. So that was just a little staggering to me. Thanks.

Stephane Van Gelder: Thank you. Jonathan, Mason and anyone in the room stand up. I see (Ken), Marilyn so I'll just come to you after the two counselors. Thank you.

Jonathan Robinson: Thanks Stephane, Jonathan Robinson. I think there's a couple of points I'd make, one point and one question.

The point is really I think is to support much of the concerns from a registry's point of view that Jeff has raised about the mechanisms by which you are communicating these developments, the operational and other concerns, technical issues.

We need to interact with you not have a substantial delays where we hear nothing and then have sudden communications where there's a whole catch-up and we may have been more effective if we talked to you in the interim.

One of the other issues is the cost issue. And Kurt to your response of whether \$7000 to \$10,000 is a substantial amount or not I don't think that's the issue.

I think the overarching objective of the trademark clearinghouse was to provide a cost effective and technically sensible solution to an industry-wide problem.

Of course in contracting with a single provider you're creating a de facto monopoly service.

So I think we - what we need to know and understand as a community is we need to understand the basis on which the costs are reached and to understand and believe and buy into the fact that you are creating A, the most cost-effective mechanism that we can rely on.

So I think we need a lot more understanding of how these costs are reached, how they're derived and to develop confidence that you have reached the optimal, frankly the lowest cost solution to service both the community interest and the rights owners themselves.

Because ultimately if the bills go into the ecosystem they're going to feedback somewhere those are either going to be on to consumers, rights owners or both.

Man:

Thanks Jonathan. The cost estimates are published because we got fairly strong comments in the Costa Rica meeting that the community wanted to see some cost estimates. So they don't know. So we urged our partners to (add up) all the detailed calculations that would be necessary to provide a final number and the detail behind it to back it up.

We understand that in a sense this is - there is one provider, especially for the database. Because we think there, you know, so far we think there can be only one database.

In the future there might be multiple providers of validation services. So we think there could be competition because remember this is the - this is opening day and this is going to evolve where we hope to, you know, involve additional providers especially as far as validators.

And I don't think we should sign up with a low cost provider. I think we should sign up with an entity that we feel very good about providing reliable consistent service in the long term.

We had many applicants that could do both we think. But we want it to be economical. We want it to be cost effective. But mostly we wanted to work and last a long time.

Stephane Van Gelder: Thank you. I'm happy to let this discussion continue but we will have to end this session at 12:00 so that means not getting to some of the other topics.

I can see there's passion here so we need to let this continue. But we just want to make that housekeeping point clear. Mason you're next.

Mason Cole: Thank you Stephane. I agree with the points being made in the room already so my question is one of process which is what happens now?

How do you engage registrars and registries on system design and implementation and what is the process for public comment on?

Karen Lentz: So I think that to pick up on something that Jonathan just said, that the communications on that have been less than they should have been.

And it's really mostly, you know, it's a difficult project. The issues are complex and it took a lot of work and feedback to develop the draft model.

And then we did receive actually quite a bit of significant comment on it. So it's required going through all of that through those points, looking back at what we have and the reason we had it and considering the, some of the feedback that was suggested.

So in terms of the process forward there's a couple of things. One is the kind of methodologies that we've discussed with our provider partners is that as manual or procedures or, you know, flushed out implementation pieces.

For example, you know, there's detailed rules around, you know, which trademarks are eligible which are sort of fitted at a high level in the guidebook.

You know, as things are developed if they would be published on that ICANN page for comment and that there would be opportunity for that.

In terms of supporting the actual registry and registrar implementation work, you know, you've heard a few ideas circulated.

And that was, you know, feedback we heard in the last couple of interactions that this is a strong concern given the timeframe and the work that is needed on that and to implement.

So, you know, in response to that we did go back to a provider and, you know, highlight this as something that they - we wanted them to support as well.

And that's why the, you know, development of the interfacing spec has kind of been moved up with the new supported by that mailing list.

But that would involve the relative people from the registrars and registries who will, you know, be deep into those details to be involved in that.

Man: Thanks. Stephane I'm sorry I didn't - I don't think I heard anything about public comment on the cost?

Karen Lentz: So I think it's, you know, certainly that, you know, we've heard comment here. I don't think it was anticipated that there would be, you know, a formal public comment period for example.

But, you know, the program is always open for feedback. And we've taken what we've heard already so...

Man: Right. And that's that was an estimate by the parties and I think we want to - I don't know we're going to drive to more specific cost as we do the implementation.

Stephane Van Gelder: Okay so we've got 20 minutes left my team. I'm going to ask for you all to make your comments as briefly as possible.

We won't go back to ICANN staff for responses until the end of your comments. I have four people in the queue. We'll cut it off behind (Anthony). So (Ken) take it away.

(Ken): Yes I'm going to make this comment to - a comment if I could please. We - as you can see we have a serious communication problem number one.

Number two, we don't have anything to benchmark against. Number three, the community is still in the dark about this overall plan.

I have trouble understanding why you can't take something like this and put it into a (perk) chart providing us with timelines and give the community the opportunity to see where we're going, when we can expect to get there.

And if we see any deficiencies like concerns about public comment sessions we need to see this - these plans upfront.

You're hitting us too often too late with too much or too little. Thank you.

Stephane Van Gelder: Thank you. Marilyn?

Marilyn Cade: Thank you my name is Marilyn Cade. I'm going to open my comments by returning to a process that we used to use and maybe it'll be a good one to return to.

I have no conflicts of interest because I'm not supporting an applicant. But so my comments however are going to be about the implications of the trademark clearinghouse on the users.

I do chair the business...

(Unintelligible).

Man: You don't go with perhaps people who can offer much better price and perhaps the same service. Thank you.

Stephane Van Gelder: Thank you very much. Kurt is there - do you want to provide any answers or...

Kurt Pritz: Well (Elaine) I just want to talk to off-line because I - my impression is it's a TMV price. But, you know, I have assumptions about how TLDs will be launched at different times.

And so if there's a way that the thing can be bundled in some way then there could be a separate way to (map).

But just conceptually every gTLD is a new registry and, you know...

Man: (Unintelligible) find out?

Kurt Pritz: Right I understand that.

Man: If she's chairing this or not?

Stephane Van Gelder: Thank you very much. So let's move on to - I've asked Kurt to change the way he will be (deal) with the presentation of the topics just to make sure we get to the timeline topic which is one that I'm sure everyone feels is crucial.

So we'll do the timeline topic now which is the fifth one on the list. And if we have time we'll get to the others. Thank you Kurt.

Kurt Pritz: So the agenda item's a little bit big so I don't know if this will meet your needs or not.

Initial evaluation (unintelligible) will start on July 12.

The way the batching has been conceived and there's public discussion coming up about that that each batch of 500 or more would take 4-1/2 to five months each.

There's - we've already had discussions about making the batches somewhat larger so that we could accommodate all the applications in three batches. But that hasn't been assured but there's a lot of contention. So we don't think that would affect the delegation rate limits.

So our early projection is that all the applications would be done in 15 months. There's some that are put in papers that say it could be done sooner. That's possible.

But our original projections and what's in the guidebook for 1900 applications say longer. So we have this early projection in here for this.

Assumptions are that batches just go through evaluation, but it up end to end so there's no time period between any of them.

In fact if you think about batching it's really about output and not input. There's a continuous feed of applications into evaluators.

And that's done in a way to take advantages of economies of scale, similarities in applications, and which evaluators are most efficient and

economical. So batching really goes to how things are reported, not fed into the process.

The objection period is in the guidebook as specified to be seven months for all applications. So we think that we should retain that even though there might be multiple batches.

We think seven months is long enough for entities to consider objecting. And we think that if an entity decides to make an objection and then pockets it for months or years if the objection period were extended out that wouldn't be fair to applicants.

That you can comment throughout the whole process. The guidebook says that if you comment in the first 60 days the evaluator will be sure to see it.

And the next slide.

So the agenda item was timeline and readiness. So I wanted to talk a bit about provisional evaluations that are occurring right now.

So we give the panels applications to evaluate. We give both - like two panels the same set of applications. And they come back and report scoring.

There's a high correlation in scoring so that a lot of (people) remain consistency. Already in scoring the same issues are raised by multiple panels.

So that's those provisional evaluations tell us one that scoring's consistent and two that it's going to happen efficiently and so that's what that cross firm reviews bullet is.

We were using this time to continue to do provisional evaluations so two rounds are done.

We're - we've started the third round right now. And we sit down and meet with the evaluators and review the results of applications and identify any differences in the scoring or the questions.

Panels are fully staffed. So for example I know Ernst & Young has 100 panelists on board. And trained and evaluating application numbers are proportional but similar across the board.

All of the panels have been retained so Marika.

The evaluation firms, this has already been published. But when we say these have been staffed I just wanted to say so each of these firms have staffed their panels.

And of course we have multiple panelists who address conflicts and volume. And you should know that for example with financial and technical panels for example, those - the panels that, you know, given quality as the key requirement.

The firm that does the applications the most economically will get more (ways) to do in subsequent I would call them batches, batches going in.

So we continue to strive for increased economic (unintelligible).

Objection and dispute resolution so we have lightweight agreements with the ICC, WIPO and ICDR to provide dispute resolution services and they published their processes and they're ready to go.

We've retained an independent objector. He's in his office under contract with an assistant and ready to go. And we retained an auction provider. So that's what I have to say about that.

Thank you very much. I'll open it up to questions please. Adrian?

Adrian Kinderis: Thank you Adrian. Thanks Kurt, that's helpful. As you well know my company has been fairly vocal in trying to support ICANN in putting forward alternatives and at least addressing the issue of timelines to try and get some information out there.

I should say also that even so far this week we've had some really good discussions around those timelines that we posted.

And we don't report them to be 100% accurate but what we do want to do is provide discussion around them.

So more information to help us put together a timeline with a bit - there's a couple of places that our timeline falls don't just because we don't have the information.

So I would welcome some comments from ICANN staff on to the accuracy of their timeline and where you think it falls down. And I also would welcome community input as to a timeline as to whether we should, you know, go with batching or potentially look at a single batch. There is, you know, some good arguments to the way (then).

More specifically can you just - on July 11 you are publishing the contention sets, is that correct?

Kurt Pritz: Yes.

Adrian Kinderis: So and your confidence is high that string similarity and - well maybe I should ask the question. Is the string similarity supposed to be done at that time by that time in order to determine a contention set?

Kurt Pritz: Oh finish your whole comment because I have a bunch of things to say.

Adrian Kinderis: Okay. Then I'm done.

Man: Next?

Kurt Pritz: So...

Man: That should be put in the queue.

Kurt Pritz: I've thought your paper was really good. Where the logic falls down a little bit for us is that we don't see economies. We don't see applications being processed any faster whether we do them in a single batch or three batches.

We're feeding applications in and the batch was really how we report out. So if you think of a game of Tetris that most of you have played Tetris?

Well you shouldn't. You should work.

((Crosstalk))

Kurt Pritz: So if you think about it really slow game of Tetris we'll be filling in applications into the process where they're most economically done.

And whether we report results in one batch or three batch batches really wouldn't speed up that process.

We think, you know, what we've reported was that we can do a batch in 4-1/2 to five months. Your paper I think challenges us to do them in one batch and get it done in a year where we aspire to that. And we will but not commit to that. We'll look for we will look for our (unintelligible) on the way.

We have overstaffed the capability in order to provide the redundancy to address conflicts. And so we'll continue to look for that. So most of all we

want to make sure they're done fairly and consistently before getting them done as fast as possible because we realize what's at stake.

And then our - so I shouldn't - I should answer your last question because I forgot what it was about.

Man: String similarity there.

Kurt Pritz: Yes so the string similarity will just be identical strings. And then that will be on - a later date.

And I don't know what that is with the similar strings which would, you know, we think will be a small augmentation to the batches.

Stephane Van Gelder: Thank you. I have Mason next.

Mason Cole: Thank you Stephane. I'm glad to hear you talk about these (unintelligible), you know, that registrars and registries are ready for those to be applied as the process continues.

So I wanted to ask a question again on the budget. There's a lot of padding in the gTLD budget. What's going to happen with excess application fees and when?

And I don't mean, you know, community input on the current amount that's already in the bank as opposed to the, you know, the excess that comes from auction that is subject to community input.

So the question is what is the current thinking about returning excess application fees to applicants?

(Edgar Chavez) (Unintelligible). (Edgar Chavez) here for ICANN. The current thinking is to deal globally with excess irrespective of what solutions there are to defining what that excess is.

So the potential reimbursement of the portion of the fee is one of the elements that will be included as the possibilities of dealing with the excess and as part of the overall process to define that use of excesses.

So we - I don't believe sorry, I don't believe that the reimbursement is a separate element of dealing with excessive - dealing with the excess as a whole.

I think there is a very strong common understanding and will to define the process for that set of decisions to be made in the reasonably short term from the board, from the community input that we've received on - from different parties not only here of course as well from the staff.

And what we need to be able to do in the fairly short term is start the definition of that process, lay out the various possibilities that are there and for step basically to develop a plan to deal with it.

That's what we've understood is needed quickly. And I think the board is also sharing the same type of ideas. So we need to be able to work - start working on this.

The timeline for this is to be honest I think that the excess is something that we have only a very theoretical understanding of today in terms of what the amount is.

There is a lot of factors of course that will influence what the excess is. Mention auctions, mentioned a lot of things. And it's clearly something that we're not even in the beginning of understanding what it (unintelligible) will ultimately be.

And the timeline associated with understanding what the excess is is also something relatively difficult.

So I think that, you know, we have planned it, the process of definition of how to deal with the excess. It will include a certain number of discussions with the community, with the board.

And what we are dealing right now is primarily from a cash standpoint ensuring that we have the full readiness which comfortable with at this stage to deal with starting the evaluation process handling the funds, managing the funds and the dealing with the excesses and longer term subject that we need to be able to initiate a process for a discussion of. And that's what we're going to do in the next few weeks.

Stephane Van Gelder: Thanks. We're out of time so I'm going to ask for extreme brevity, give counselors priority. And I have (Thomas) and Jeff.

I will not ask ICANN staff to answer any questions raised. If we can we'll get to the people standing. But we need to end this session extremely quickly because we have a session with the board afterwards. And we need to prepare for that so I'll have to be quite strict on the time management.

But (unintelligible) advance (Thomas). Be quick.

(Thomas): Thanks Stephane. There was discussion about excess already at the review date press conference. And it strikes me quite odd that we're talking about excess now.

I think the applicants have the expectation that the job is being done for the money that they spend.

And in that regard I think that ICANN should or should consider at least to acquire more resources to process the applications quicker and maybe make it possible to evaluate it all in one batch in a shorter period of time.

But in that connection you may be shared information with us whether there - whether you have granted exclusivity to the - that you're working with.

Because if that were the case and, you know, such, you know, expansion of resources might be limited for legal reasons.

Stephane Van Gelder: Jeff?

Jeff Neuman: Kurt but gosh, this is all about quality and getting it right. And we have expended a tremendous amount of resources training the evaluators that we have on hand and ensuring that we have a number of members that are within our span of control to make sure that we get the evaluations right.

And it's something we talked about right from the very start. So either blessed or cursed with 1930 applications we think it's a hallmark of a success the program. It's a problem and a benefit.

But we just can't depart from the quality strategy we decided to adopt at the (beginning).

And at this stage of the game engage with more firms or hire more evaluators.

So I - we will - we are - we push our evaluators very hard and we are very pleased with the fact that they are doing better than we thought both from a consistency - emphasis of the game, consistency standpoint and a efficiency standpoint.

But we will adhere to our game plan for ensuring consistency and quality of evaluations.

Stephane Van Gelder: Thank you. Jeff and then what I'm going to ask you to do (Ken), (Antony) you've already spoken. And I'd like to get to Brett and Chuck who haven't yet and then close it off there.

I'm sorry but we have to be strict with time management. Jeff you're next.

Jeff Neuman: Yes I'll talk quick. I guess the two points I have, one is that the July 12 on the timeline now that digital archery has been suspended it's probably not - I'm not sure what's significant to that date actually is now.

And you said that applications have already gone to be initially evaluated. But that's a little bit of a confusing timeline slide. And maybe tomorrow when you give the overall presentation you might just think about how that date actually plays in now.

And the second point was eluding me at the moment.

Stephane Van Gelder: That's okay we'll go to Chuck.

Jeff Neuman: So we'll move onto the next one.

Chuck Gomes: Thanks. I'll try and be brief. A question and a comment. My question is this, if I understood correctly the estimates for registry implementation of costs for the trademark clearinghouse are about \$7000 per TLD and that apparently no consideration of efficiencies have - was factored into that. I find that amazing. Is that really true?

Kurt Pritz: So again I think (Alaine) raised a very good point. In Costa Rica we were asked to put out some cost estimates.

And so the costing and therefore the pricing is not complete yet. I think there is an opportunity to bundle pricing somehow that the provider will need to figure out.

So, you know, one of the providers is IBM and they're in the business of figuring out how to price things.

So I think initially no, we weren't thinking of that. We were asking them to make some rough order of magnitude estimate for how much it would cost.

Should we go back to them when refine the pricing and say we should figure out how to bundle the provision for the services because there's going to be similarities across many co-owned registries?

Yes of course we should do that. But we didn't do it at this stage because we're trying to get some rough order of magnitude estimates together.

We couldn't, you know, sit in a room with a provider and make, you know, devise scenarios that we knew there'd be uncertain.

But we can work with real registries as they go through the evaluation process and they're real models now that the applications have been revealed and do some concrete work that pays off. So we'll do that but I don't see how we could have done that earlier.

Chuck Gomes: Well I probably disagree with you on that because we knew all along that there were a limited number of providers and it would be multiple applications. But that's okay.

My last comment is okay, it's not us whether it be registries or users, trademark holders against ICANN staff and the implementation of this.

Let's work these problems out together. But let's not just, you know, say we heard people suggest let's work together, let's do it.

And very quickly we need to provide plans for how we're going to work together to solve these problems. It's not an us against you. It's us together to make this thing work effectively.

Stephane Van Gelder: Thanks Chuck.

Kurt Pritz: And so and thanks Chuck. And we never think that too. And the whole idea of the Implementation Assistance Group which was a large team that worked together for a long time to put together a lot of the thoughts that are in the current model where, you know, a joint community effort. So we would always think we'd work together on this.

Stephane Van Gelder: Thanks. Let's give Brett for the closing words.

Brett Fausett: Brett Fausett from (Unit) Registry. I appreciate Kurt your comments that batching was an output mechanism and not an input mechanism.

It sounds like ICANN has committed to a batching process and I'm not going to try to talk you out of that.

The question though was the timeline talked about starting the evaluation of batch one on July 12.

I appreciate that your slide was probably prepared before the announcement yesterday that archery had been suspended.

I wonder what is going to happen to that timeline and how the batching is going to occur given the current uncertainty?

Kurt Pritz: So regardless of batching strategy evaluation will start full bore on July 12. And the - and I hear Jeff's comments so we'll refine information. But this ramp up to July 12 has always been part of the plan where we're, you know, doing real evaluations and calibrating the teams.

And so as we have a discussion about batching and how it (is done) or if it should be done we want to ensure that evaluations are taking as scheduled.

The longer we wait to make decisions about batching the more inefficient we might get in which applications we do first.

That could after a period of time push out timelines. So I think that we will have a community discussion about batching and make decisions which I don't think will be hard to make as quickly as possible so we don't incur efficiencies. But we're not stopping the process in any way or the evaluations in any way.

Stephane Van Gelder: Thank you very much. So we're over time. We have to stop there which is a pity because it's a great discussion.

But counselors as I explained earlier on please make sure you are back in this room by I would suggest at the very latest 12:55.

We have to be ready to meet with the board at 1 o'clock on the dot. Thank you very much. Operator this session is now over. I don't know.

No.

END