LOS ANGELES – New gTLD Program Update
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ICANN – Los Angeles, USA

CHRISTINE WILLETT: Good afternoon, everyone.

If you want to take your seats, we'll get started.

Good afternoon. We have some seats in the front for those of you joining us.

Welcome, everyone. I'm Christine Willett from the GDD operations team. Sorry, GDD, Global Domains Division. Need to keep saying that.

Thanks for joining us for this update on the new gTLD program. I think this marks two years I've been here with ICANN, and my -- what I've noticed is that the program updates get easier and easier, less and less eventful. And so I hope we won't be too boring.

We've heard you say that you want fewer statistics and more information, so we'll also, hopefully, be able to achieve that today.

Today I'm joined by Trang Nguyen, director of operations for the new gTLD program; Russ Weinstein, senior manager, program operations for new gTLDs.

We'll be presenting today -- Do we have the agenda slide? Thank you.

We'll be giving a brief update on program status and some of the bottlenecks, where we see things going forward in the program rapidly and other places where things seem to be stalling. Russ will be covering

contention resolution. Trang will give you an update on contracting, including Spec 13, code of conduct exemptions, contracting extensions. Then we'll go back to Russ to talk about those post-contracting processes, pre-delegation testing, and the transition to delegation.

Then before Q&A, we've actually got some panelists here that we've invited -- will invite to join us to speak about their experiences through the new gTLD program, their lessons learned, what they can share with all of you. And then we'll open up for a question and answer session.

So as Akram said in the earlier session, it's been a year. And since October 23rd of last year, we have delegated 418 new generic top-level domains from this 2012 round of the program.

We've -- It look longer to get there, I think to October 23rd of 2013, than probably most anyone anticipated, but I think the pace of delegation has been fairly steady, if somewhat slower than possibly anticipated.

Akram earlier referred to that maximum pace of delegation at 1,000 new gTLDs per year. 418 were certainly below that pace.

And as we go forward, as we look ahead with the applications that are in the pipeline, the contention resolution processes, we are anticipating that -- we don't anticipate to hit that 1,000 per year pace at the rate we're going.

Thanks, Russ.

The timeline in front of you -- well, this shows never share your slides with Akram because some of you may have seen this earlier. It shows the overall status of the program.

Presently, application window was done in 2012. By our definition, application evaluation, initial evaluation and extended evaluation has also been completed.

We have some outstanding disputes objections. At the moment, about ten of those have been stayed, oh, goodness, almost a year now. So those are going on for a while by mutual agreement of both parties.

Contention resolution.   Over half of the 233 contention sets are resolved. 120 of those are resolved today.

The last three stats, the percentages reflect percentages complete out of the anticipated total number of potential top-level domains. So based on the number of unique contention sets and unique strings, and let's forgive the few indirect contentions for the moment, right now they're based on a total of 1300 possible new top-level domains out of the program. So those reflect the percentages complete.

As Akram mentioned, the program was originally forecast through FY15. We extended it when, this year, we are forecasting through FY17 presently based on the current activities of the program. Contention resolution is taking longer than anticipated.   The numerous accountability mechanisms have been triggered, which are affecting some of the processes for moving forward in phases from completion.

So the long pole in the tent, if you will, is the contention resolution phase. So you see that running well into calendar 2016. Actually, the

start of FY17 there. And based on once contention gets resolved, then we expect we'll be able to proceed to contracting, through pre-delegation testing and delegation rapidly.

I saw someone tweet about Akram's comment about the program budget and the fact that as the program has extended, we are forecasting the program budget in a corresponding way. So FY17 is currently forecast at about $10 million. So each year of the budget is projected.

There is -- It was published in the May time frame with the overall ICANN FY15 budget. It's on page 63 of the PDF, if you want to go look at it. So that is the basis.

And as Akram said, this is our forecast as of today based on what we know now and the pace at which accountability mechanisms, category 2 GAC advice, various other things are proceeding, this is the pace.

We would love to bring this in. The next-round discussion we just had, some would say we can't start the next round until this one is done, so potentially we have some prerequisites or dependencies on aspects of this phase -- of this round of the program.

So the team is working diligently to look at the bottlenecks, look at where things are -- could be expedited. And that is what Trang and Russ will talk about today.

RUSS WEINSTEIN: All right. This is Russ Weinstein, senior manager on the operations team for Christine. I'm going to talk about contention resolution.

For those of you not intimately familiar with the program, just a quick reminder on what a contention set is. A contention set is when there are two or applications for the same or a confusingly similar string, and what we do is we try and get to a single string or a single application for that string.

So, so far on the program we had 233 total contention sets identified to date, and you can see resolutions beginning to accelerate quite a bit.

We've had 120, or a little over 50%, resolved to date, but since that first auction of last resort was scheduled in early June, we've seen 50 contention sets resolved since then and only 8 of those are resolved through an ICANN mechanism, either the Community Priority Evaluation or the auctions of last resort. Four of each process.

So like I said, contention resolution is accelerating, which is kind of as we expected. Once we got the auction schedule out there, the applicants would get together and resolve contention amongst themselves, and that's with a we're seeing.

So path to resolution. We do see a line of sight to almost all of the contention sets being resolved in the current fiscal year. We have 85 of the 113 already targeted for an auction. And then one of them just got started, invited to CPE, and we'll get that started in a couple of weeks, given the 21-day lead time there.

And then we have seven sets that still would need to go through CPE, and they're not yet eligible, and 20 sets that would need to go to auction first. But overall, the message here is we have line of sight to the majority of contention resolution being complete in 2015.

Community priority evaluation I alluded to earlier. So we have -- we completed 16 -- Now we're going to talk about applications and not contention sets because the evaluations are done on a per-application basis, so sometimes there are multiple applications from community-based applicants in the same set. So sometimes we have to do multiple community evaluations in the same contention set.

So we have 16 completed and four of those prevailed contention. And we just finished the last three that were in process last week and got those published.

We have one that was invited that I mentioned earlier, and we have ten that are not yet eligible. So we have 11 more of these to complete on the program.

And the things that are holding them up from getting started are kind of the things you're going to see throughout this presentation. It's pending accountability mechanisms aren't going on in the contention set, pending change requests, or unresolved GAC advice.

To get started on the contention resolution mechanisms that ICANN facilitates, we need the contention set to be stable, we need the applications to be stable before we get started.

The other thing I wanted to talk about was the cycle time of evaluations. I know that's come up a few times. We were targeting that they would take about three to four months. We've seen that stretch out a little longer in the last several groups of results that have come out, but the important thing is that they're getting done and they're getting done

with a lot of thought and care by the panel, and they're doing all their proper reviews and making sure that they're following the process.

So while we do remind them of the timeline and they're aware of it, the important thing is that the job's getting done right, and that's what we're focused on.

So we're hoping that the three- to four-month timeline is something we can continue to work for. I think one of the last ones, actually, did come in in that time frame. And talking with the panel, we do feel that's still a realistic timeline for future evaluations.

Things that do drag that process on a little longer than expected is just the overwhelming -- almost overwhelming amount of correspondence and information being put into the public sphere at the very last minute before these applications go into evaluation. The panel has to do a lot of work around understanding those letters and other information and the context of those and take that into account as part of their evaluation.

Auctions. I mentioned auctions are the method of last resort to resolve contention for the guidebook. And we put a schedule together and the schedule kind of evolves on a monthly basis.

You'll see we're down to three sets, confirmed, for the auction next week. And there's still time, actually, for those to self-resolve before the auction.

But if you looked at this chart last month, we had 13 sets scheduled for auction in October, and now we're down to three. So you see self-resolution is occurring even right up until the last minute before we go

into auction. We need pencils down on the negotiations to happen about seven days prior to the auction, so later this week we'll announce if we're having these three sets going to auction and which sets they are.

Same reasons why folks aren't eligible to get into auction yet. There's 28 sets in that bucket at the far right of the slide. Either they're awaiting CPE to go first, kind of get that done first on some of those sets, or there's pending accountability mechanisms. The sets are on hold for one reason or another.

Then the last thing I wanted to talk about was indirect contention sets. I think we're down to four indirect contention sets now that one resolved last week, and we've been working hard on rules and process and framework over the last several months with Power Auctions, the auction provider, and we're getting ready to roll out a public comment for those rules in early November.

So that's something to look forward to.

Just some tidbits about those is we're going to continue to use ascending clock auctions as prescribed in the guidebook still using the second price methodology. So some things will be constant as much as possible to the current auction solution.

Then the last thing I wanted to talk about is we did have an auction in September and gained a little bit of publicity there. We had three sets go in September. So one thing we wanted to do was focus on providing a lot of transparency around the auction proceeds. As we've said in a number of forums, the proceeds are going to be segregated and are

being segregated until the board consults with the community and decides upon -- did I lose it? Get it back? Hello? All right. Is it me? Must be me. Doesn't like my voice? Closer? All right.

All right.

So, as part of transparency and openness, we put together a financial summary. We published this on the web. And it's something we're going to do every month. Here's a more abbreviated version of what you can find on the Web site. But it details out the costs as well as the proceeds on a month and activity basis. Right now we're -- we have almost $14 million of proceeds. And, as mentioned, we're going to continue to segregate those funds and not use them until the board has the appropriate discussions with the community and decides upon appropriate use. There's a link that's not showing up very well in the slides but should come through in the pdf that will take you to this summary. And all the detail in the summary can be found in a statement of the summary of work we have with the auction provider as well.

So I'll pass it over to Trang to talk contracting.

TRANG NGUYEN: Thanks, Russ. Thank you. So all right. Contracting-wise, some statistics to share with you. To date we have invited 1,176 applicants to contracting. The majority of them, 540 or 45%, have already executed the registry agreement. The remaining 55% are in various stages of the contracting process.

So let's drill down a little bit more, you know, on those 55% that are currently in the contracting process.

The majority of them, as you can see is in what we're calling in contracting. What that means is these applicants are responded to our contracting information requests, but they have other items that are pending preventing ICANN from being able to send them the registry agreement. You know, it could be things like they needed additional time to submit a compliant COI. They could be submitting change requests. There a number of things that are preventing these applicants from being able to move forward in the contracting process.

So, for those applicants, they have been in that queue for on average 52 days.

And then, if you take a look, there are -- there is a small number of applicants that have not even yet responded to our contracting information request. There's 55 of those. And, on average, those applicants have been in that queue for 242 days.

That's quite a long time to be not responding to the contracting information requests from ICANN. But we do have quite a few applicants that are doing so.

And then, as you can see at the bottom of the chart there, there are 114 applicants who have received the registry agreement but have not yet signed the registry agreement.

And, for those 114 applicants, they have been in that queue for approximately 78 days. Again, I think quite a long time to be holding

the registry agreement without signing. But we do have quite a few applicants in that queue.

So I shared a while back that the contracting process cycle time is approximately three weeks. That means that, if you don't have any issues pending, that's approximately how quickly you can move through the process.

Currently, we only have about 15% of applicants that are able to move through the contracting process within the three-week cycle time. The remaining percent of applicants are taking much longer than that.

And, on the slide there, I have sort of the top three reasons why applicants are taking longer than three weeks to move through the contracting process. As you can see, negotiation and waiting for specification 13 determination is the top reason followed closely by, you know, applicants needing additional time to submit a compliant COI. And then by change request, there are quite a few applicants that are sending change requests to amend applications during the contracting process. So that caused some delays.

Let's switch gears and talk about extensions a bit. In the last two weeks we have sent out quite a few extension notifications to applicants. You know, for the last month and a half we've actually received hundreds of requests from applicants asking for additional time to sign the registry agreement.

So, in the last couple of weeks, the team has granted about 345 TLDs extensions until July 29th of 2015 to sign the registry agreement.

Those applicants met certain criteria that we previously published to receive that extension. And so they received it.

The remaining 154 received other extension periods based on a framework that we published in the middle of September.

And that framework, really, you know, is put in place in order to provide incremental deadlines for applicants to complete certain required tasks that they need to complete in order to execute a registry agreement with ICANN.

And the reason we decided to go with this approach rather than just granting a broad, you know, say, nine months extension, for example, is because we wanted to try to get away from what happened, you know, what we're seeing happening right now, which is that applicants think they have a lot of time to sign the registry agreement. So they keep putting things off. And then all of a sudden you get into the end of that deadline period and nothing has been done.

So the incremental deadlines is supposed to, you know, encourage applicants to continue to work towards resolving any issues that they need to resolve in order to sign the registry agreement.

So the incremental deadlines that we -- framework that we published did take also into account specification 13 and code of conduct exemption requests and the publication of those requests as well as for most applicants the intent to wait for ICANN's determinations on those requests before signing the registry agreement.

And then, just to give you sort of a view into how many specification 13 and code of conduct exemption requests ICANN is receiving, at the top

chart it's showing you specification 13. As you can see, there's quite a few that's currently in the comment period and post comment period. And that's due to the deadline that we had imposed September 1st deadline for dot brand TLDs to submit specification 13 in order to qualify for the July 29, 2015 extension. So, as you can see, we received quite a few specification 13. They're currently in the queue to be processed. And we have committed to providing our determination of those requests on October 24th.

So those will be coming out soon.

And at the bottom you can see the volume in terms of code of conduct exemptions. We have the majority are currently in the comment period. The volume isn't as high as specification 13. But we are still receiving some code of conduct exemption requests.

RUSS WEINSTEIN: All right. I'm going to try it again. We're back? All right. Try this one.

So now we're going to talk about post-contracting processes. These are pre-delegation testing and the registry onboarding I'll talk just a touch about and transition to delegation process.

So update on pre-delegation testing, we've been talking about this for the last several times we've had sessions. We're still operating pretty significantly below our capacity. We designed the capacity to have space for up to 20 appointments starting every week and also have the ability to scale and grow over time as demand increases. And the opposite has been happening. We've actually seen demand decreasing even though more and more registries or applicants are signing

contracts and becoming registries. We've seen a decrease in demand for pre-delegation testing. What I mean by that is people aren't going into pre-delegation testing as quickly as we expected. They're sitting on those invites for on average 27 days. Our target is to get people confirmed for an appointment within two weeks of them signing a registry agreement. And right now we're only getting 50% or so of applicants responding to the invite and getting an appointment set up. So we're going to have to look at that current capacity as we go forward, the current demand and adjust and try to see if we can -- if we need that full capacity, if there's a better way to manage costs as the program stretches out.

The other thing I wanted to highlight was we put up an update to the test specifications on Friday. It's primarily focused on the IDN sections. We had some feedback in London and prior to London that there was not as strong of transparency and clarity around the requirements for some of the IDN testing, especially around the language table testing in pre-delegation testing. So we worked real hard with the PDT provider over the spring and summer to develop more transparent criteria. And we posted those online. I was told this morning that we do have a small issue with the release that went out on Friday. So please check back later in the week. We'll put those documents up. But, for the most part, you can see that the specifications -- and we posted red lines as well to all the specifications so real clear as to what has changed.

The other update on this front is the testing criteria and implementation of the testing for the RDS, RDDS, or WHOIS clarification advisory that came out early this summer, I think? And we're working to get that into pre-delegation testing in early January. So you'll have some lead time of just warnings if it's not being done properly before the implementation time of mid-February.

Then my final slide here is -- message here is transition to delegation could go faster. We put together kind of an assessment of how long it's taken to get from signing a registry agreement to delegation. Month by month there.

Our expected cycle time is about 70 days. And that provides some slack time for each of the processes. And it's trending upwards. It would come down a little bit over the summer, which is good to see now that we're back in fall. But the primary reasons that's stretching out is applicants -- as I mentioned earlier, applicants aren't scheduling PDT as aggressively right after they signed registry agreement like we saw last year at this time. And registries not completing that registry onboarding step that they could be doing in parallel with PDT. And we're seeing that only about a third of the registries are completing that step in parallel with PDT. When we were designing the processes, we thought onboarding was going to be a slam dunk. That would be done in about a week and people would be waiting for pre-delegation testing to finish. And we've seen the opposite.

So we're still trying to find ways to help applicants and registries get that done sooner so they can get to pre-delegation quicker.

Just the key note there is that we know it's a little confusing that there's pre-delegation testing that you coordinate in the applicant portal. There's onboarding that goes on in the GDD portal. And you get your delegation token in the applicant portal. So we recognize there's some challenges there. But we're trying to be as clear in our messaging for each of the processes directing you to the right portal and are hoping that folks continue on and get towards delegation as soon as they can.

With that, I'm wrapped up.

CHRISTINE WILLETT: So thank you, Russ. Thank you, Trang. As you can see, there are clear bottlenecks and slowdowns in the overall program processes. And we highlight these in the interest of cost management.

You know, we're very sensitive to the cost of the program overall. We are now forecasting the program to run through FY17. We certainly don't want to come back to you next year as we're budgeting FY16 and say now we're protecting the program to run even longer.

It would be great if we could bring in the program completion possibly even sooner than we're currently projecting. So that's why we're highlighting where these -- some of these slowdowns are and why we've adopted the approach we have to the incremental contract extensions.

So we'll continue to highlight these. We're working with individual applicants on their requests for extensions. We're trying to be very reasonable. And yet, continue to have consistent -- a consistent approach with all applicants as well.

So now I'd like to transition over, if our panelists would care to join us. So we have Bret Fausett, general counsel from Uniregistry who is going to speak to us; from dot LAD, Roger Castillo, new services manager eCOM in the soon -- is it soon to be contracted registry operator of dot LAT; then dot ECO, Jacob Malthouse, Big Room, Inc., cofounder and director of dot ECO who is technically still an applicant; and Reg Levy director of legal affairs for Minds+Machines talking to us about dot BAYERN.

Thank you all for joining us. If we'd like to turn it over to Bret.

BRET FAUSETT: Thank you. We thought it would be helpful to give you a little -- since you've heard about the navigation to the process to let you know how

some people have done it. I can speak for Uniregistry. We applied for 54 TLDs. And 54 is an interesting number that I'll get to in a minute. Of those 54, 17 have been delegated. Of the 17, five are now in sunrise, and 12 are in general availability. We have three more TLDs that are right now in contracting on their way to delegation. And we probably have a dozen or so that are still in contention.

As we navigated through the process, we had no legal rights objection. We had three string similarity objections. We prevailed on them all. We've had a couple of TLDs that have been slowed down because people applied for community. One of the contending members applied for community priority so we -- one of those has been resolved. One of those is still pending, I believe.

And, you know, as we -- as we think about it as an applicant, I've sort of thought about our process here as coming in four stages --

the application process, the evaluation process, the pre-delegation process, and the post-delegation process. And they've all been different. They've all had their own challenges. In the application process I mentioned before that we had 54 applications that we were planning to submit. When the day opened that you could submit applications, we logged in and saw that the number of applications you could apply for was capped at 50. Because who would ever want to apply for more than 50 top-level domains? So -- I see John's hand up.

So we had to open up a couple of user IDs. John opened up probably half a dozen user IDs. And that's actually carried over into our processes. Because now, when we're working in the pre-delegation portal, we have two user IDs and our applications are separated

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because of the initial cap that was created on the 50. So it's created some challenges of keeping all that information sorted. I know that people who applied for one probably don't really care to hear about these problems. But the process really wasn't set up to deal with people like Donuts and Uniregistry and some of the others. So those have been challenges. I expect that those will get resolved in whatever next round we do.

The next process was the evaluation process that we all went through. And really not a lot happened during that very long period that ICANN was evaluating applications. We weren't resolving contentions. Because, if John and I had a contention together, I didn't know if he was going to pass and he didn't know if I was going to pass, so we really didn't want to talk to each other until the end of that evaluation process. And, when we came to the end of that evaluation process, a lot of things changed. And a lot of it changed with ICANN, too. Because, if you remember the pre-evaluation process, they really didn't want to talk to us. They had two people there. They took notes of the conversation, they. Wanted to make sure that it was all documented what was said to you. So it was very hard to have sort of fluid conversations with the people you needed support from.

And, then when everything was evaluated, things changed completely. I found that our relationship became much easier to work. I could ask you a question. You could answer it without -- you know, getting John Jeffrey involved or something. It was a much better process.

And now we're sort of living in this -- our process. We've got some in the pre-delegation process, as I mentioned. Some in the post-

delegation process. So we've got these two portals that we're working in. That's a bit of a challenge. I'll be glad when we get rid of the old system that originally started, which I've got hundreds and hundreds of tickets in there in various stages of statuses. And then, when we get to the new GDD system, that is a significant improvement.

And that will come. Probably in the next year we'll all be working in that one portal. And that's been good because we've gotten rid of that cap of 50. We've now unified everything into one user I.D. So that's been great.

CHRISTINE WILLETT: Thank you, Bret.

JACOB MALTHOUSE: Hi, so my name is Jacob Malthouse. I'm director and co-founder of Big Room Inc. which was a community applicant for .ECO. I just want to thank ICANN for the opportunity to come up here and speak, and we recently had our community priority evaluation result, and it was a pass. And the community was really excited about that and excited about the opportunity that .ECO represents. We had great messages of support from many of the people that were involved, Greenpeace and World Wildlife Fund and U.N. Environment Fund and many of the other organizations that supported this for several years while it was in development and then in application process.

And what I wanted to talk about today, just briefly, was why. You know, why are these organizations excited about this and what are some of the specific benefits of community-based TLDs. And in thinking about it,

we really managed to drill down into four key areas. The first is accountability, then identity, collaboration, and support. With accountability -- and I think this is really a crux of a lot of what the community wanted to see -- was being included in the contract with ICANN. So a sort of three-way contract. That the registry is accountable not just to ICANN and the Internet community but also to the environmental community and how it operates.

The second part of it is really the community-based enforcement of the registration policies in order to prevent misuse. And the third is that, you know, those two together helped to lead -- create confidence from both community members and end users. And that makes it resilient. So in case I get hit by a bus, the community is still there over the long term.

The second part of it, identity, so leading environmental brands and networks around the world can really register and access the names that are important to them through community-developed criteria. End users are going to see relevant environment-related content and use on .ECO Web sites. And one of the things the community is really excited about is thinking about how some of these names can be put to use advocating for sustainable development. So examples, one example that's come up in the community is the idea of spotlight names where you could have specific advocacy and awareness raising campaigns via a particular name. So for example, water.eco could be used for a water and sanitation campaign in India and then it could be used later for a start-up in Africa that was trying to get clean water into rural areas. So it doesn't have to just be auctioned off to the highest bidder. It can be

put to a long-term use for the benefit of the community. That's just a couple of the examples we're thinking about with the community.

So that third part of this is collaboration. At a registry level the community has essentially going to operate on a multistakeholder model at the .ECO level to collaborate on registration policies and a .ECO charter. Community members are going to be more easily able to identify one another online. So an example is, you could have a LEED certified builder signaling to their customers with a .ECO domain but also when they're looking for suppliers, finding them with .ECO domains is going to provide again a mark of assurance.

Looking at ways to leverage the community of registrants to support existing environmental campaigns, so two big things that happened in the last month was the W.W.F. Living Planet Report. So disseminating that to .ECO registrants and leveraging .ECO registrants to help raise awareness about those key issues is really important. Another example was the People's Climate March in New York, so helping to empower and coordinate those types of direct actions is something we'd love to see happen with .ECO and we think we can encourage with community domains.

Finally, just helping community members collaborate on achieving their own goals. So part of .ECO will be demonstrating a year-on-year improvement in your own sustainability performance. That's something that really is important for us because .ECO is not really just about being a brand. The community wants it to be a commitment to action over time.

And then finally, support. So support for existing environmental membership and certification organizations. Those groups will now have a global platform for their members that will embedded into the Internet domain names system. We think that's really unique and powerful. And finally, and not least, the idea of reinvestment so a portion of the sale of every .ECO domain name gets funneled into an independent foundation that is community-directed.

So the bottom line, we still have a lot to learn about how to use this resource and a long way to go before we're through ICANN's accountability mechanisms and such. But the community's really excited about it and the opportunity for .ECO to really always be accountable to the environmental community and for the greater good. So thanks very much.

CHRISTINE WILLETT: Thank you, Jacob, and thank you, Bret, as well. Roger, if you'd like to talk to us about your experiences.

ROGER CASTILLO: Well, thank you for the invitation. I'm going to talk about .LAT application. We only applied for one TLD and it is the .LAT. It's a new gTLD for providing Internet presence with Latin identity. It's a collaboration between eCOM-LAC, and that is the applicant, it's going to be the registry operator, and NIC Mexico. We run the ccTLD for .MEX for Mexico and we're providing registry back-end services.

And one of the -- of the main challenges we face during the application time and the -- with the .LAT was timing. We started with the project

since 2007 when the new gTLD round was starting, and we had -- we've been through -- well, .MEX is part of -- of a university and we've gone through a change of dean and also a change of the board of directors and now we've switched from the academy to the industry and they had the organization chart like flipped over twice. So we've been having the hurdle to justify the project every year. And that -- that -- we had to do it like for different people for -- with different approaches and focusing on different things, and it was like a very heavy burden of work. And to go in like just to be able to carry on with the project and it was a very hard effort to do that.

And after that, we were able to successfully submit application to do the clarification questions also. And we've been ready for pre-delegation testing for like a year but we're not being able to sign the contract because of the -- of the COI. Well, in Mexico no -- it is -- that financial instrument, it is not of -- of daily use of banks and financial institutions and we had to go again through a research and presenting the information to the board of directors. Well, we need these and we need it for this project and it works that way because ICANN is asking for it. And well, then it was very painful to go with the COI.

When we finally found a bank in Mexico that was able to provide the instrument, we -- we had to face with the apparently lack of experience of the operations project because we had -- we had to invest a lot of time and a lot of -- of tears and everything to actually get the instrument from the bank through the correspondent bank in the U.S. and then through ICANN. And it was -- well, it was a -- a very long story, but finally we were getting our contract signed this Thursday in the Olympic Room at noon. You're all invited. And hopefully we'll -- we'll

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get -- we will be able to get .LAT into the public and let's hope it is a success. And we're -- we're planning to be ready for lunch next year, so let's see how it goes. Thank you.

CHRISTINE WILLETT: Thank you, Roger. And Reg.

REG LEVY: Hi, I'm Reg Levy from Minds and Machines, and like Uniregistry, we're also a portfolio applicant. So we -- I'd like to briefly reiterate, although I'm here to speak as a geo, that it is so much easier to communicate now because we had slightly more than a couple accounts when we found out that 50 was the limit. So it's still a little difficult to sift through them all and figure out where things are. So I'm loving the single login. Thank you for that.

So I am here to speak about .BAYERN, punkt Bayern, which is the new gTLD for the southern most state in Germany call Bavaria in English by Bayern in German. And some of the things that Jacob mentioned are also sort of relevant for a geo TLD. Not the same level as a ccTLD obviously, but there's a lot of identity wrapped up in what state you come from, what city you come from. So there's a lot of that happening. And it's not -- it's not just a brand. It's how you present and how you want to present who you are online.

With regard to what Roger said, the timing was an issue for us as well. We've been ready to do this for a while and the -- it's difficult to go to a government and say actually there's been another delay. No, it wasn't something that we could have controlled. No, it wasn't something that

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we could have anticipated. Yes, it sucks. Yes, we're sorry. Yes, we'll keep you in the loop, but we also don't really know what's going on, was kind of difficult. From the perspective of dealing with the government, generally speaking governments are used to getting what they want. So they're the -- they're used to being the biggest fish in the pond.

We also had some issues with the COI requirement change back during evaluation of applications and because we had submitted so many applications, it wasn't -- and there were so many collisions, it wasn't feasible for us to just wholesale change all of our COIs so as each TLD -- it becomes obviously that it's going to come up, we make that change. I don't think that we ran into an issue for Bayern for that one.

We didn't negotiate the contract. We decided that we wanted to just go through and go live soon. You can actually now buy your punkt Bayern domain name. But yeah, it's been an interesting ride. We're figuring things out, and apropos to one of the other sessions that was earlier today, I think there are some interesting changes that will happen for the next rounds.

CHRISTINE WILLETT: Thank you, Reg. Thank you all. Appreciate it if -- would you mind staying up for questions in case anyone has questions?

So we'll now transition to a Q&A session.

Do we have anything in the remote? No.

[Laughter]

REG LEVY: I didn't want to just abuse my position up there and say, "I have a question," but I do have three questions.

CHRISTINE WILLETT: So you're taking Amadeu's approach as the first in the queue.

REG LEVY: Well, I can sit down in between them. I'm totally fine with that.

                                Yeah, exactly: For Reg Levy.

                                So Russ had a slide up that said that there -- it broke down the cost for auctions. Did the costs represented there include any percentage fees that went to the vendor?

RUSS WEINSTEIN: Yes. Those are all the costs that we've identified on the auction program.

REG LEVY: Cool. Thank you.

RUSS WEINSTEIN: That was easy.

REG LEVY: They should be short.

The second question is for Trang. The 242 days in which people had not -- is the average that people had not responded to COIs, did that include applications that were in hold in some way? Because I know for myself, for example, .CASA was probably in that queue for a really long time, and it may have actually raised the average significantly. So I don't know how that's being calculated and whether or not that's representative.

TRANG NGUYEN: Thanks, Reg. And, yes, it does include all -- that's the average for all applications that are in that queue, including any that are on the on-hold status. We could probably take a look at it and see if there is any outliers and what the average would be if we remove those outliers.

REG LEVY: Yeah, I think that might be just more indicative of how long people are actually sitting on these.

And then my third and final question is back for Russ. The PDT 20 spots per week you said were running significantly below capacity. What is the current usage rate?

RUSS WEINSTEIN: Current usage rate is below eight a week. We're down in the sixes or so on a typical week.

REG LEVY: Thank you.

EN

JIM PRENDERGAST: Jim Prendergast, Galway Strategy Group.

Russ, sticking on PDT, I know there is a one-year shot clock from signing your agreement to delegating. Are there any interim shot clocks that applicants need to be aware of? Like moving to PDT or something like that.

RUSS WEINSTEIN: Yes, we do a pretty aggressive reminder schedule. I think there is a drop dead. We try and get people at least scheduled for a PDT appointment about 90 days, 90 to 120 days before that 12-month period so we make sure you have enough time to get through the process. If, for whatever reason, you needed to go back through or extend the appointment for some reason, no issues there and you'll still be able to get to your 12-month delegation. But sooner the better from our standpoint.

JIM PRENDERGAST: Got it. Okay. And then just generally, have there been any successfully negotiated changes to the Registry Agreement? And if so, where can we find them?

CHRISTINE WILLETT: So my counsel is shaking his head no.

So there have been minor, if -- There are some red lines. There are some red-lined versions out there, but in terms of negotiations, I think there's been nothing negotiated.

There have been some variations in the versions that are posted. We had talked about, previously, potentially posting a summary of those, if and when there are any changes to the Registry Agreement, posting a list of what all those were. So....

JIM PRENDERGAST: Keep talking about it. Maybe let us know?

CHRISTINE WILLETT: Yeah, so we'll let you know.

JIM PRENDERGAST: Okay. Thanks.

CHRISTINE WILLETT: Thank you, Jim.

WERNER STAUB: Just a question about the publication tools that we have. We have quite a bit of tools now to publicize -- no, to publish information about the gTLDs program status. And, you know, this is actually sometimes, you know, complex because there's many things to know about the process.

This led to a situation where people who are not really familiar with the new gTLD program have almost no chance of finding anything that actually gives them a complete picture. This wasn't intended that way, but let's say it is one of the problems that we deal with.

And in the context of accountability processes or accountability mechanisms, we actually have even a great lack of visibility. And that lack of visibility from the outside, the outside doesn't understand what is going on here because there has been an accountability proceeding against ICANN, but actually wasn't against ICANN. It was against another applicant. But of course the proceeding itself, in theory, is against ICANN. So that's where it's published, but it is not visible on the -- on the Web sites that ICANN runs, the application itself, who is doing what against whom in this arena. And I think really we have a problem with transparency. If you actually act just inside of ICANN, only couple of people who are really experts know what's going on here. And if somebody, for instance, in the case of affected communities, went to an ICANN resource to figure out what's going on, they couldn't possibly understand. And what is actually being done affecting their community in new gTLD program.

So wonder if you could have a couple of updates to the process, such as making sure that in the application page, we get some -- like a history of all these things that happen that affect it. Maybe links to other pages in ICANN.

And of course also that, you know, this will be posted as early as possible so people, even the applicants themselves or the community themselves know something is being prepared. Maybe with the ombudsman or maybe with some kind of review, like cooperative engagement or something. And the affected parties don't even know that this is being prepared.

CHRISTINE WILLETT: Thank you, Werner. Appreciate the -- the concerns, suggestions there.

I would agree there is a wealth of information available. It's not always all in one place.

I would point you to, if you go to icann.org, resources, accountability mechanisms, under that you will see -- you can click and it will explode out. You can see the reconsideration requests and the IRPs, and then there's -- I think about monthly, our legal team posts an update of the CEP and IRP current statuses.

So it is on icann.org. Definitely take your suggestion to see how we can integrate that to the new gTLD microsite.

You know, the question for us is really how much do we continue to enhance the new gTLD microsite as we are -- you know, we have a horizon still, but as we really are moving towards registry operations.

And I think the thought at present is we want to put a lot of that information into icann.org. But I think that we'll certainly take away the suggestion. Just as we have link to the application, individual application records on the microsite, the -- you know, whether it's the objections and the objection determinations, the CPE results, the IE results, et cetera, we've enhanced that significantly. So we could look at maybe doing something similar with accountability mechanisms. But I just wanted to make sure you did have that other page.

Anything else?

So thank you very much.

PAUL FOODY: Hi, Paul Foody. Just one of the justifications of the new gTLD program to begin with was innovation. Jacob Malthouse spoke of water.eco, and I think that was pretty much the only example of innovation that any of you gave.

I'm just interested why is, you know, the idea of sharing a domain something that you needed the new gTLD program to achieve?

JACOB MALTHOUSE: I think it was a suggestion from a community member. Actually, it was a B corporation, which is a really interesting triple bottom-line nonprofit based here in the U.S. So those are the kind of ideas that we're really excited to see being generated by the community for what we think are innovative uses for these kinds of names.

PAUL FOODY: But is there a genuinely innovative use that could not have been achieved within the existing framework? That you're able to publicize at this stage, obviously.

JACOB MALTHOUSE: I think it's one of the benefits of having a community-based domain, is to help bring some of those ideas out into the forum and discuss them as a community.

PAUL FOODY: And you couldn't have done that within .ORG?

Moving on, there was the other issue about the 15 million that was raised from the auction. Was that just one auction or was that a number of TLDs?

RUSS WEINSTEIN: There was four contention sets so far have been resolved by ICANN auction.

PAUL FOODY: In that September that raised the 14 million?

RUSS WEINSTEIN: Three sets in September, one in June.

PAUL FOODY: Thank you very much.

RUSS WEINSTEIN: Sure.

JOSEPH WRIGHT: Hi, Joseph Wright, Bloomberg BNA.

I'm just curious that for the contention sets that have not yet gone to auction, are there any informal or formal mechanisms in ICANN to facilitate settling those before auction or does ICANN just remain completely hands off during that process?

BRET FAUSETT: This is Bret from Uniregistry. ICANN remains completely hands off during that process. In fact, the guidebook was set up to encourage private resolution. If you look back, and I have been doing this because I have been looking back at the GNSO's original policy recommendations, it's baked in that there is a period of self-resolution.

So the first step was see if you can figure it out on your own. And then these ICANN deadlines, the ICANN auctions really have accelerated those conversations. So people have resolved these things through a variety of mechanisms, but it all happens out in the hallways, not inside these rooms.

JOSEPH WRIGHT: Can you give some examples of how these may get resolved? Just generally, generically?

BRET FAUSETT: Well, you know, Reg's company, Minds+Machines, and my company, Uniregistry, both applied for .COUNTRY. So we said why don't we run a joint venture? So we withdrew, and they're going to run it and we're going to help them, and so we're doing it in partnership. So there are things like that.

CHRISTINE WILLETT: Thank you. Last call for questions.

I think we're wrapping up. We don't have anything online? No?

Well, thank you all. Thank you to the panelists. Thank you for joining us today. Appreciate it. Enjoy the rest of the meeting.

[Applause]

[END OF TRANSCRIPT]